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- According to Bujaky, YAROSLAV ROCHNIAK did not want to issue the W-2's; however, the student workers pressured YAROSLAV ROCHNIAK to provide the W-2's to them for the wages that they earned while working for Citiwide Management Group. (W7-2, pg 3)

NOTE: Although evidence from other sources have indicated that some of the statements obtained from Bujaky regarding his preparation of Citiwide Management Group tax returns may not be completely truthful; the above statement from Bujaky is corroborated by the following:

- Forms W-2 and W-3 were submitted to the Internal Revenue Service for the following 21 individuals for the 2002 tax year for the wages they earned while working for Citiwide Management Group:
 - Marta Czekalska (W1-22)
 - Pawel Miklasinski (W1-22)
 - Anna Z. Rospondek (W1-22)
 - Jakub Kania (W1-22)
 - Laura Grusauskaite (W1-22)
 - Lukasz Kubala (W1-22)
 - Juliya Vasilyeva (W1-22)
 - Darius Liakauskas (W1-22)
 - Dugan Kocurko (W1-22)
 - Veronika Dobrovolna (W1-22)
 - Paulis Zygas (W1-22)
 - Gintare R. Rutkauskaite (W1-22)
 - Petr Dobrovolny (W1-22)
 - Adam Hrydziusko (W1-22)
 - Tatiana Janosikova (W1-22)
 - Paulina Musiatowicz (W1-22)
 - Akhmed Nurbagomedov (W1-22)
 - Justyna Kussy (W1-22)
 - Ann Niznik (W1-22)
 - Piotr Kepa (W1-22)
 - Ivan Bougaev (W1-22)
- A review of the ledgers that were prepared and used by Bujaky's office to prepare the Citiwide Management Group tax returns has revealed the existence of handwritten notations next to the check information on Bujaky's ledgers. The notations appear to be a reference to reclassify wages paid to the above individuals under category "5015", or payroll, from category "5036", or subcontract. (W7-6)

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NOTE: The fact that YAROSLAV ROCHNIAK only provided the W-2's to the student workers under pressure by the workers is indicative that he only issued the W-2's in order to keep the workers from alerting the authorities about his and GREGORY KUCHER'S employment tax scheme.

- D. **Overt Act #4** - Around August 2002, YAROSLAV ROCHNIAK fired Gary Khanimov from his employment with Citiwide Management Group after Khanimov suggested that they "legalize the business". Khanimov considered the business to be operating "illegally" because the individuals working for them had no right to work in the United States and no taxes were being paid on the monies that they earned while working for the business.

SUPPORTING EVIDENCE: (W9-1, pgs 26, 27)

- E. **Overt Act #5** - On approximately December 13, 2002, YAROSLAV ROCHNIAK and GREGORY KUCHER established Bazil Services, Inc. under the nominee name of Vasiliy Alekseyev, a former employee of Citiwide Management Group.

SUPPORTING EVIDENCE: (W10-1, SAR, pgs 18 thru 27)

- F. **Overt Act #6** - During the years 2003 through 2005, YAROSLAV ROCHNIAK and GREGORY KUCHER utilized bank accounts in the name of Bazil Services to make payments to the workers of Citiwide Management Group devoid of any employment tax deductions.

SUPPORTING EVIDENCE: (SAR, pgs 17 thru 25)

- G. **Overt Act #7** - In approximately 2004, YAROSLAV ROCHNIAK and GREGORY KUCHER recruited Volodymyr Koziy to serve as a nominee for Bazil Services due to the departure of Vasiliy Alekseyev. On several occasions in 2004, Both YAROSLAV ROCHNIAK and KUCHER accompanied Koziy to various banks in Ohio and Pennsylvania to have the signature authority changed on the Bazil Services bank accounts.

SUPPORTING EVIDENCE: (See Evidence Below)

Bank Account Analysis

An analysis of the Citiwide Management Group and Bazil Services bank accounts indicates that YAROSLAV ROCHNIAK and GREGORY KUCHER used the Bazil Services bank accounts in the name of Alekseyev and Koziy to pay the workers of Citiwide Management Group:

- Signature cards obtained from PNC Bank, Fifth Third Bank, and Charter One Bank reveal that Vasiliy Alekseyev had opened bank accounts in the

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name of Bazil Services at the banks. Additionally, the signature cards reveal that signature authority on the Bazil Services accounts at PNC Bank and Fifth Third Bank was assumed by Volodymyr Koziy in 2004. (W11-1, W11-2, W12-1, W12-2, W13-1, W13-4)

- During 2001 and 2002, checks written from the Citiwide Management Group bank accounts at PNC Bank and Fifth Third Bank to various individuals were found to be consistent in nature with that of payroll checks, such as being regular, reoccurring, and in small amounts consistent with payroll checks. A number of the checks to the above individuals had the word "salary" written in the memo line of the checks further demonstrating the purpose of the checks as payroll. (W2-10, W2-13, W2-25, W2-28)
- The analysis of Bazil Services bank accounts at PNC Bank, Fifth Third Bank, and Charter One Bank revealed that the individuals who had been receiving checks consistent with that of payroll checks from the Citiwide Management Group bank accounts began receiving similar checks from Bazil Services' bank accounts. (W2-46, W2-55, W2-64)
- The analysis further revealed that after these individuals began receiving checks from the Bazil Services' bank accounts, they stopped receiving checks from the Citiwide Management Group bank accounts. (W2-16, W2-34)

(Note: Since at the time of this report the whereabouts of Alekseyev were unknown, no interview of Alekseyev has been conducted)

Testimony of Volodymyr Koziy

Volodymyr Koziy provided the following statements regarding his knowledge of and employment with Bazil Services:

- Volodymyr Koziy stated that in approximately 2004 he worked at a company called "Bazil" for "JERRY" and "GREGORY" as a "driver and stamp keeper". In his position as driver, Koziy was responsible for driving Bazil Services' workers from Pittsburgh area apartment buildings, where "JERRY" and "GREGORY" housed the workers, to hotels in and around the Pittsburgh area. Koziy would transport between 10 to 15 workers per day. Koziy explained that the job of "stamp keeper" as simply allowing "JERRY" and "GREGORY" to keep an ink stamp of his signature, which they used to sign checks in the name of Bazil Services. (W15-1, pgs 5, 6, 9 thru 12)

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- Koziy was supposed to be paid \$2,000 per month for his work at Bazil Services; however, the only month that he was paid the full \$2,000 was for his last month of employment at Bazil Services. Koziy was paid \$800 per month for the other months that he worked at Bazil Services. In addition to his pay, Koziy was also reimbursed for gasoline expenses that he incurred while driving the workers. Koziy was paid by check by either "JERRY" or "GREGORY" depending on who was managing the company at the time. Koziy explained that "JERRY" and "GREGORY" would take turns managing the company in two week intervals; however, they sometimes overlapped a few days. Koziy considered "JERRY" to be his boss; however, "GREGORY" would usually sign his paychecks.
(W15-1, pgs 7, 8, 10, 11)
- Koziy explained that as part of his duties as "stamp keeper", "JERRY" and "GREGORY" requested that he open or extend checking accounts for Bazil Services in his name. Koziy recalled having to make several trips to Ohio in order to open or extend an account for the company due to one bank not allowing them to open or extend the account in Koziy's name. Both "JERRY" and "GREGORY" accompanied Koziy to Fifth Third Bank and another bank in Ohio and to PNC Bank in Pittsburgh. Koziy was aware that "JERRY" and "GREGORY" were using checks from the Bazil Services bank accounts in his name to pay the employees of the business. To Koziy's knowledge, he was never listed as president of Bazil Services and that he was "just a stamp keeper".
(W15-1, pgs 13 thru 50)
- Koziy left his employment at Bazil Services after five or six months because the hours that "JERRY" and "GREGORY" wanted him to work became too much. Koziy explained that he fell asleep twice behind the wheel while driving for the company due to exhaustion.
(W15-1, pgs 9, 22)
- Koziy knows that an individual named "Vasys" held the position of "stamp keeper" for Bazil Services prior to him holding the position.
(W15-1, pg 6)
- After reviewing Forms 941, for the periods ending 09/30/2004 and 12/31/2004, which were filed with the Internal Revenue Service in the name of Bazil Services, Koziy stated that he never saw either of the forms before. Koziy advised that the signature on the Form 941 for the period ending 09/30/2004 appears to have been made with one of the signature stamps that "JERRY" and "GREGORY" had made of his signature; however, he did not authorize the signing of the form. Koziy advised that although his name is written on the signature line of the Form 941 for the

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period ending 12/31/2004, he did not sign the form or authorize the signing of the form. (W15-1, pgs 16 thru 18)

NOTE: The investigation revealed that Koziy's signature endorsing the Bazil Services checks in 2004 and 2005 appears to have been made with an ink stamp of his signature. (Due to the voluminous amount of checks, they will be maintained in the SA's workfile)

H. **Overt Act #8** - On approximately September 16, 2005, after becoming aware of the investigation into the activities of Citiwide Management Group, YAROSLAV ROCHNIAK and GREGORY KUCHER orchestrated the closing of Citiwide Management Group and Bazil Services and the establishment of Citiwide MNGM Group, Inc. and Monro Services, Inc. to assume the operations of Citiwide Management Group.

SUPPORTING EVIDENCE: (See Evidence Below)

- Citiwide MNGM Group, Inc. and Monro Service, Inc. were incorporated in the state of Pennsylvania on September 16, 2005, 8 days following the execution of search warrants on properties being leased by Citiwide Management Group. (W10-2, W10-3)
- YAROSLAV ROCHNIAK and GREGORY KUCHER utilized Citiwide MNGM Group and Monro Service to assume the operations of Citiwide Management Group. In addition, YAROSLAV ROCHNIAK and GREGORY KUCHER orchestrated the formation of Monro Service in the name of George Kursky in order to further disguise the ongoing operations of the employment leasing business. Around February 2007, Kursky left the business and Dmitriy Sheremet was recruited into the business to take Kursky's place.

SUPPORTING EVIDENCE: (See Evidence Below)

Testimony of Citiwide Management Group's Clients

- YAROSLAV ROCHNIAK and GREGORY KUCHER advised the clients of Citiwide Management Group that they were changing the name of Citiwide Management Group to Citiwide MNGM Group and Monro Service and then continued to provide the hotels with contract labor services under the new company names. (W23-1, W23-3 thru W23-7, W24-1, pgs 2, 3, W25-1, W26-1, pg 2)

Testimony of Erin Cato, Newbury Realty Office Manager

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- Cato advised that Monro Service, Inc. continued to lease the same apartments from Newbury Realty that were previously being leased by Citiwide Management Group. According to Cato, since February 2007 the Monro Service, Inc. leases had been signed by Dmitriy Sheremet. George Kursky had been signing the Monro Service leases prior to Sheremet. (W20-1)
- Cato advised that although the leases for Monro Service, Inc. were signed by Kursky and Sheremet, GREGORY KUCHER continued to be the contact for the apartments being leased by Monro Service, Inc. through Newbury Realty. (W20-1)

Bank Account Analysis

- The foreign workers, who were employed with Citiwide Management Group and were receiving checks from the Basil Services PNC Bank prior to the September 8, 2005 search warrants, began receiving checks from the Monro Service PNC Bank account in October 2005. (W2-60, W2-69)

4. Intent to defraud or to commit the substantive offense:

YAROSLAV ROCHNIAK

The following is being provided to show that YAROSLAV ROCHNIAK intended to defraud the United States government:

- A. The following demonstrates that YAROSLAV ROCHNIAK was aware of the requirement to withhold and pay over employment taxes for the individuals that he employed at Citiwide Management Group:

SUPPORTING EVIDENCE: (See Evidence Below)

- During the years 2002 through 2005, YAROSLAV ROCHNIAK filed payroll tax returns, Forms 940 and 941, with the Internal Revenue Service on behalf of Citiwide Management Group. (W1-5, W1-6, W1-7, W1-10, W1-12, W1-13, W1-14, W1-16)
- During the years 2002 through 2005, YAROSLAV ROCHNIAK and GREGORY KUCHER withheld and paid over employment taxes on the wages that they received from Citiwide Management Group. (W1-22 thru W1-24)
- As detailed above in Overt Act #3, YAROSLAV ROCHNIAK instructed Martin Bujaky to prepare and file Forms W-2 for a group of student

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workers employed with Citiwide Management Group. According to Bujaky, ROCHNIAK did not want to issue the W-2's; however, the student workers pressured ROCHNIAK to provide the W-2's to them for the wages that they earned while working for Citiwide Management Group. (SAR, pgs 42 thru 44)

- B. The following demonstrates that YAROSLAV ROCHNIAK and GREGORY KUCHER were aware that the individuals who received paychecks from Citiwide Management Group and Bazil Services bank accounts were in fact employees of Citiwide Management Group and not contract laborers:

SUPPORTING EVIDENCE: (See Evidence Below)

- As outlined above under Overt Act #2, YAROSLAV ROCHNIAK and GREGORY KUCHER entered into contracts with the clients of Citiwide Management Group that were all essentially the same and provided that the workers provided by Citiwide Management Group to the clients would be considered employees of Citiwide Management Group. (SAR, pgs 41, 42)

Bank Account Analysis

- A number of individuals who received checks that were drawn on Citiwide Management Group bank accounts during 2001 and 2002 have the word "salary" written in the memo line of the checks. Upon the opening of bank accounts in the name of Bazil Services at PNC Bank, Fifth Third Bank, and Charter One Bank, the individuals who had been receiving checks from the Citiwide Management Group bank accounts began receiving checks from the Bazil Services bank accounts. (Appendix C)

Testimony of Martin Bujaky

- As detailed above in Overt Act #3, YAROSLAV ROCHNIAK instructed Martin Bujaky to prepare and file Forms W-2 for a group of student workers employed with Citiwide Management Group. According to Bujaky, YAROSLAV ROCHNIAK did not want to issue the W-2's; however, the student workers pressured YAROSLAV ROCHNIAK to provide the W-2's to them for the wages that they earned while working for Citiwide Management Group. (SAR, pgs 42 thru 44)

Testimony of Volodymyr Koziy

- Volodymyr Koziy stated that during his employment with Bazil Services, he held the position of "stamp keeper". Koziy advised that "JERRY" and

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"GREGORY" told him that as part of his duties as "stamp keeper", they needed him to open or extend checking accounts in the name of Bazil Services in his name. (W15-1, pgs 13 thru 15)

- Koziy recalled having to make several trips to Ohio in order to open or extend the accounts for Bazil Services due to one bank not allowing them to open or extend the account in Koziy's name. Both "JERRY" and "GREGORY" accompanied Koziy to Fifth Third Bank, another bank in Ohio, and PNC Bank in Pittsburgh. (W15-1, pgs 13 thru 15)
- Koziy stated that "JERRY" and "GREGORY" had two stamps made of his signature in order to endorse the Bazil Services checks. (W15-1, pgs 13 thru 15, 18 thru 20)
- Koziy was aware that "JERRY" and "GREGORY" utilized the Bazil Services bank accounts in his name to pay the employees of the business. (W15-1, pgs 13 thru 15)

Search Warrant Evidence

- During a search of the business address for Citiwide Management Group, payroll ledgers titled "Payroll" were discovered during the search. The ledgers included the following information: employee name, hotel name(s) where the employee worked, dates worked, hours worked, wage rate of each employee, wage due per time period, deductions from pay, and the check number used to pay each employee's wages. A test comparison of the checks drawn on PNC Bank account number 1016566425 in the name of Bazil Services to the 2003 through 2005 payroll ledgers discovered during the search revealed that the check numbers and payee names on the checks coincide to the check numbers, pay amounts, and employee names on the payroll ledgers. In addition, "Post-It" notes attached to the last page of the ledger for each pay period show dates and amounts that coincide with deposit dates and amounts into PNC Bank account number 1016566425 in the name of Bazil Services. (W2-4, W3-38 thru W3-49)

Note: The ledgers are two-sided sheets, but exhibited as two separate pages for ease of review.

- C. The following demonstrates that YAROSLAV ROCHNIAK and GREGORY KUCHER utilized entities and bank accounts in nominee names to disguise the wages of the individuals that they employed with Citiwide Management Group:

SUPPORTING EVIDENCE: (See Evidence Below)

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- As detailed above in Overt Acts #5 thru #7, on approximately December 13, 2002, ROCHNIAK and GREGORY KUCHER established Bazil Services, Inc. under the nominee name of Vasiliy Alekseyev, a former employee of Citiwide Management Group. During the years 2003 through 2005, ROCHNIAK and KUCHER utilized bank accounts established in the name of Bazil Services to deposit the receipts of Citiwide Management Group and make payments to the workers of Citiwide Management Group devoid of any employment tax deductions. (SAR, pgs 44 thru 47)
 - As detailed above in Overt Act # 8, after becoming aware of the investigation into the activities of Citiwide Management Group, ROCHNIAK and GREGORY KUCHER orchestrated the closing of Citiwide Management Group and Bazil Services and the establishment of Citiwide MNGM Group and Monro Services to assume the operations of Citiwide Management Group. (SAR, pgs 47 thru 48)
- D. As outlined under Affirmative Act #6 under the Elements of Title 26 USC 7201 above, YAROSLAV ROCHNIAK and GREGORY KUCHER filed or orchestrated the filing of payroll tax returns, Forms 940 and 941, with the Internal Revenue Service on behalf of Bazil Services that greatly understated the actual payroll of the individuals who received their paychecks from the Bazil Services bank accounts. (SAR, pgs 27 thru 30)
- E. There is a pattern of unreported wages. Citiwide Management Group and Bazil Services reported gross wages of \$228,234.25 and \$13,600.00, respectively. However, the investigation divulged that Citiwide Management Group and Bazil Services actually had at least \$1,587,834.84 and \$3,123,092.77, respectively. (Appendix C, Appendix D)

GREGORY KUCHER

The following is being provided to show that GREGORY KUCHER intended to defraud the United States government:

- A. The following demonstrates that GREGORY KUCHER was aware of the requirement to withhold and pay over employment taxes for the individuals that he employed at Citiwide Management Group:

SUPPORTING EVIDENCE:

- During the years 2002 through 2005, GREGORY KUCHER filed payroll tax returns, Forms 940 and 941, with the Internal Revenue Service on behalf of Citiwide Management Group. (W1-8, W1-9, W1-11, W1-17)

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- YAROSLAV ROCHNIAK and GREGORY KUCHER withheld and paid over employment taxes on the wages that they received from Citiwide Management Group. (W1-22 thru W1-24)

B. The following demonstrates that YAROSLAV ROCHNIAK and GREGORY KUCHER were aware that the individuals who received paychecks from Citiwide Management Group and Bazil Services bank accounts were in fact employees of Citiwide Management Group and not contract laborers:

SUPPORTING EVIDENCE: (See Evidence Below)

- As outlined above under Overt Act #2, YAROSLAV ROCHNIAK and GREGORY KUCHER entered into contracts with the clients of Citiwide Management Group that were all essentially the same and provided that the workers provided by Citiwide Management Group to the clients would be considered employees of Citiwide Management Group. (SAR, pgs 41, 42)

Bank Account Analysis

- A number of individuals who received checks that were drawn on Citiwide Management Group bank accounts during 2001 and 2002 have the word "salary" written in the memo line of the checks. Upon the opening of bank accounts in the name of Bazil Services at PNC Bank, Fifth Third Bank, and Charter One Bank, the individuals who had been receiving checks from the Citiwide Management Group bank accounts began receiving checks from the Bazil Services bank accounts. (Appendix C)

Testimony of Martin Bujaky

- As detailed above in Overt Act #3, YAROSLAV ROCHNIAK instructed Martin Bujaky to prepare and file Forms W-2 for a group of student workers employed with Citiwide Management Group. According to Bujaky, YAROSLAV ROCHNIAK did not want to issue the W-2's; however, the student workers pressured YAROSLAV ROCHNIAK to provide the W-2's to them for the wages that they earned while working for Citiwide Management Group. (SAR, pgs 42 thru 44)

Testimony of Volodymyr Koziy

- Volodymyr Koziy stated that during his employment with Bazil Services, he held the position of "stamp keeper". Koziy advised that "JERRY" and "GREGORY" told him that as part of his duties as "stamp keeper", they needed him to open or extend checking accounts in the name of Bazil Services in his name. (W15-1, pgs 13 thru 15)

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- Koziy recalled having to make several trips to Ohio in order to open or extend the accounts for Bazil Services due to one bank not allowing them to open or extend the account in Koziy's name. Both "JERRY" and "GREGORY" accompanied Koziy to Fifth Third Bank, another bank in Ohio, and PNC Bank in Pittsburgh. (W15-1, pgs 13 thru 15)
- Koziy stated that "JERRY" and "GREGORY" had two stamps made of his signature in order to endorse the Bazil Services checks. (W15-1, pgs 13 thru 15, 18 thru 20)
- Koziy was aware that "JERRY" and "GREGORY" utilized the Bazil Services bank accounts in his name to pay the employees of the business. (W15-1, pgs 13 thru 15)

Search Warrant Evidence

- During a search of the business address for Citiwide Management Group, payroll ledgers titled "Payroll" were discovered during the search. The ledgers included the following information: employee name, hotel name(s) where the employee worked, dates worked, hours worked, wage rate of each employee, wage due per time period, deductions from pay, and the check number used to pay each employee's wages. A test comparison of the checks drawn on PNC Bank account number 1016566425 in the name of Bazil Services to the 2003 through 2005 payroll ledgers discovered during the search revealed that the check numbers and payee names on the checks coincide to the check numbers, pay amounts, and employee names on the payroll ledgers. In addition, "Post-It" notes attached to the last page of the ledger for each pay period show dates and amounts that coincide with deposit dates and amounts into PNC Bank account number 1016566425 in the name of Bazil Services. (W2-4, W3-38 thru W3-49)

(Note: The ledgers are two-sided sheets, but exhibited as two separate pages for ease of review.)

- C. The following demonstrates that YAROSLAV ROCHNIAK and GREGORY KUCHER utilized entities and bank accounts in nominee names to disguise the wages of the individuals that they employed with Citiwide Management Group:

SUPPORTING EVIDENCE: (See Evidence Below)

- As detailed above in Overt Acts #5 thru #7, on approximately December 13, 2002, ROCHNIAK and GREGORY KUCHER established Bazil Services, Inc. under the nominee name of Vasiliy Alekseyev, a former

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employee of Citiwide Management Group. During the years 2003 through 2005, ROCHNIAK and KUCHER utilized bank accounts established in the name of Bazil Services to deposit the receipts of Citiwide Management Group and make payments to the workers of Citiwide Management Group devoid of any employment tax deductions. (SAR, pgs 44 thru 47)

- As detailed above in Overt Act # 8, after becoming aware of the investigation into the activities of Citiwide Management Group, ROCHNIAK and GREGORY KUCHER orchestrated the closing of Citiwide Management Group and Bazil Services and the establishment of Citiwide MNGM Group and Monro Services to assume the operations of Citiwide Management Group. (SAR, pgs 47 thru 48)
- D. As outlined under Affirmative Act #6 under the Elements of Title 26 USC 7201 above, YAROSLAV ROCHNIAK and GREGORY KUCHER filed or orchestrated the filing of payroll tax returns, Forms 940 and 941, with the Internal Revenue Service on behalf of Bazil Services that greatly understated the actual payroll of the individuals who received their paychecks from the Bazil Services bank accounts. (SAR, pgs 27 thru 30)
- E. There is a pattern of unreported wages. Citiwide Management Group and Bazil Services reported gross wages of \$228,234.25 and \$13,600.00, respectively. However, the investigation divulged that Citiwide Management Group and Bazil Services actually had at least \$1,587,834.84 and \$3,123,092.77, respectively. (Appendix C, Appendix D)

18 U.S.C. § 1956(a)(1)(A)(i)

- 1. Knowledge that the property involved in a financial transaction represents the proceeds of some form of unlawful activity.**
- 2. Conducts or attempts to conduct such a financial transaction.**
- 3. Transaction in fact involves the proceeds of specified unlawful activity.**
- 4. Intent to promote the specified unlawful activity.**

YAROSLAV ROCHNIAK

The following is being provided as evidence to establish that YAROSLAV ROCHNIAK did in fact violate all of the elements of Title 18 USC 1956(a)(1)(A)(i) while operating Citiwide Management Group and related entities:

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1. Knowledge that the property involved in a financial transaction represents the proceeds of some form of unlawful activity:

The following is offered as evidence that YAROSLAV ROCHNIAK had knowledge that the proceeds of his employment leasing business were directly derived from employing individuals who were not authorized to work in the United States.

- A. YAROSLAV ROCHNIAK has a detailed knowledge of how the United States immigration system works, including knowledge of what visa classes permit individuals to work while in the United States, from his own immigration to the United States.

SUPPORTING EVIDENCE: (See Evidence Below)

Immigration Records

A search of immigration records relating to YAROSLAV ROCHNIAK revealed the following:

- YAROSLAV ROCHNIAK first entered the United States on June 16, 1990 on a class B2 (tourist) visa.
- YAROSLAV ROCHNIAK became "Lawfully Admitted for Permanent Residency" (LAPR) on December 20, 2002.
- YAROSLAV ROCHNIAK'S immigration file reflects a 1983 graduation from Leiw Lenin Ordens University, majoring in economics and industrial planning.

NOTE: The above information regarding YAROSLAV ROCHNIAK'S immigration file will not be exhibited for the purposes of this report. However, the immigration file is being maintained by SA Opferman and will be available for review.

Admissions by YAROSLAV ROCHNIAK

- YAROSLAV ROCHNIAK has admitted to being aware that he was not permitted to work in the United States on a B2 visa and that he applied for and received the Employment Authorization Document. (W3-2, pg 6)
- B. During the years 2001 through 2005, YAROSLAV ROCHNIAK and others operated Citiwide Management Group for the purpose of providing contract workers to business, mostly hotels, in the Pittsburgh and Cleveland areas.

SUPPORTING EVIDENCE: (See Evidence Below)

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Admissions by YAROSLAV ROCHNIAK

- YAROSLAV ROCHNIAK admitted that he has owned and operated Citiwide Management Group since 2001. (W3-2, pg 2)
- YAROSLAV ROCHNIAK advised that Citiwide Management Group provides workers for contracted hotels. Citiwide Management Group provides transportation and housing for its employees. (W3-2, pgs 2 thru 5)

Admissions by ROMAN KUCHER

- ROMAN KUCHER was employed by Citiwide Management Group about two years ago and was responsible for the business' day-to-day operations in the Cleveland area, including driving employees to worksites. (W5-1, pg 2)
- ROMAN KUCHER was hired by YAROSLAV ROCHNIAK to manage Citiwide Management Group in the Cleveland area. YAROSLAV ROCHNIAK was ROMAN KUCHER's only boss during the entire term of his employment. (W5-1, pg 2)

Search Warrant Evidence

During a search of the business address for Citiwide Management Group, labor contracts endorsed by YAROSLAV ROCHNIAK or GREGORY KUCHER between Citiwide Management Group and the following hotels were obtained during the search:

Hotel Name	Citiwide Management Group Endorsement	Customer Endorsement	Contract Rate	Exhibit No.
Hampton Inn Solon	Yaroslav Rochniak	Donna Doberstyn	\$9.50	(W3-22)
Holiday Inn Cleveland East	Yaroslav Rochniak	Kimberly Martin	\$9.25	(W3-23)
Homewood Suites	Yaroslav Rochniak	Robyn Perfetto	\$9.50	(W3-24)
Radisson Hotel	Yaroslav Rochniak	Carmella DiMieri / Lynda Miller	\$10.00	(W3-27)
Holiday Inn Meadowlands	Gregory Kucher	No Endorsement	\$9.75	(W3-28)
Holiday Inn Select Pittsburgh South	Gregory Kucher	Todd Reichelt	\$10.00	(W3-29)
Holiday Inn Express	Gregory Kucher	Rachele Morgan	\$10.00	(W3-30)
Comfort Inn Pittsburgh East	Gregory Kucher	Corey Babbit	\$9.50	(W3-31)
Comfort Inn Pittsburgh Airport	Yaroslav Rochniak	Kris Kruze	\$10.00	(W3-32)

- An analysis of the above contracts reveals that all of the contracts refer to the workers being provided to the hotels as employees of Citiwide Management Group. (W3-22 thru W3-24, W3-27 thru W3-32)

Testimony of Citiwide Management Group Clients

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- Individuals in positions of authority with the above hotels have provided statements regarding the use of contract labor at their hotels in which they advise that the hotels were currently or previously using Citiwide Management Group for their contract labor needs. (W25-1, W25-3, W26-1, W27-1, W27-4, W28-1, W60-1, W61-1)

C. YAROSLAV ROCHNIAK had knowledge that contract laborers supplied to the Citiwide Management Group clients were not permitted to work in the United States.

SUPPORTING EVIDENCE: (See Evidence Below)

Testimony of Gary Khanimov

Gary Khanimov provided the following statements regarding his knowledge of the employees of Citiwide Management Group:

- According to Gary Khanimov, Citiwide Management Group, which was operated by YAROSLAV ROCHNIAK, was in the business of providing contract housekeepers to hotels in Pittsburgh and Cleveland. (W9-1, pgs 10, 11, 32)
- YAROSLAV ROCHNIAK would use his employment agency, E & J Professional Group, in New York to recruit workers from Soviet Bloc countries to fill the housekeeping positions at Citiwide Management Group in Pittsburgh and Cleveland. When new workers would arrive in Pittsburgh from New York, YAROSLAV ROCHNIAK would make photocopies of their identification documents such as passports and drivers licenses, which he kept in the Citiwide Management Group office. Khanimov estimated that up to 70% of the individuals employed with Citiwide Management Group were not permitted to work in the United States. (W9-1, pgs 10 thru 12, 15, 35 thru 37, 46, 47)
- YAROSLAV ROCHNIAK fired Khanimov around August 2002 when he told YAROSLAV ROCHNIAK that he thought they could legalize the business by employing individuals who were permitted to work in the United States and by reporting the wages and paying taxes of the employees of the business. (W9-1, pgs 26 thru 30)

Search Warrant Evidence

- Evidence obtained during a search at, 1848 Chessland Street, Apt 14, Pittsburgh, PA, the business address for Citiwide Management Group,

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produced photocopies of identification documents, including visas and passports, of aliens that received checks from Citiwide Management Group related bank accounts. Of the 168 photocopied visas obtained during the search, over 60% (101 of 168) were determined to be B1/B2 (tourist) visas. (W2-2)

NOTE: The fact that Citiwide Management Group was in possession of photocopies of more than 100 tourist visas belonging to individuals who had been employed by the company, including Olena Chukova's, is indicative that YAROSLAV ROCHNIAK was in a position to know the immigration status of the individuals under his employ.

Testimony of Olena Chukova and Plamen Krastev

- Olena Chukova and Plamen Krastev stated that they worked for YAROSLAV ROCHNIAK at Citiwide Management Group as hotel housekeepers. (W17-1, pgs 6 thru 10, W18-1, pgs 1, 2)

NOTE: Photocopies of both Chukova and Krastev's visas were among the identification documents located during the search of the Citiwide Management Group office. Both Chukova and Krastev entered the United States on tourist visas.

- D. The following is offered as evidence that the proceeds of Citiwide Management Group were deposited into the below Citiwide Management Group bank accounts:

SUPPORTING EVIDENCE: (See Evidence Below)

Bank Account Analysis

- An analysis of the deposits into Citiwide Management Group, Inc. PNC Bank account number 10-1450-6648 from 2001 through 2005 revealed that \$4,140,952.27 was deposited into the account. Further analysis of the account revealed that of the total deposits into the account, \$3,628,704.81, or approximately 88%, was verified to be payments from hotels and / or hotel management companies who utilized and paid Citiwide Management Group for contract labor services. (Sub Appendix B-1)
- An analysis of the deposits into Citiwide Management Group, Inc. Fifth Third Bank account number 83817656 from 2001 through 2005 revealed that \$3,741,762.02 was deposited into the account. Further analysis of

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the account revealed that of the total deposits into the account, \$3,217,213.03, or approximately 86%, was verified to be payments from hotels and / or hotel management companies, who utilized and paid Citiwide Management Group for contract labor services.
(Sub Appendix B-2)

- An analysis of the deposits into Citiwide Management Group, Inc. Charter One Bank account number 1570010215 from 2002 through 2003 revealed that \$348,772.76 was deposited into the account. Further analysis of the account revealed that of the total deposits into the account, \$9,721.64, or approximately 3%, was verified to be payments from hotels and / or hotel management companies, who utilized and paid Citiwide Management Group for contract labor services. Of the remaining deposits, \$315,929.12, or approximately 91%, was identified as deposits from other Citiwide Management Group, Inc. bank accounts. (Sub Appendix B-3)

E. The following is offered as evidence that a portion of the proceeds of Citiwide Management Group that were deposited into the above Citiwide Management Group bank accounts were the deposited into bank accounts in the name of Bazil Services:

SUPPORTING EVIDENCE: (See Evidence Below)

Bank Account Analysis

- An analysis of the deposits into Bazil Services, Inc. PNC Bank account number 10-1656-6425 from 2003 through 2005 revealed that deposits into the account totaled \$2,014,733.71. Of the total identifiable deposits into the account from 2003 through 2005, deposit items identified as checks from Citiwide Management Group, Inc. totaled \$1,854,844.92. Additionally, checks written payable to Citiwide Management Group, Inc. from Davidson Hotel Partners, L.P., Lodgian Management Corporation, Radisson, General Robinson Associates, L.P., Potomac Bakery, and Select Hotels Group, LLC were also identified as being deposited into the account. (W2-53, W2-56, W2-59)
- An analysis of the deposits into Bazil Services, Inc. Fifth Third Bank account number 838-18034 from 2003 through 2005 revealed that deposits into the account totaled \$1,082,015.10. Of the total identifiable deposits into the account from 2003 through 2005, deposit items identified as checks from Citiwide Management Group, Inc. totaled \$956,650.99. Additionally, of the total deposits into the account, deposit items identified as checks from Midwest Best, Inc. totaled \$93,100.00 for 2005. (W2-44, W2-47, W2-50)

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- An analysis of the deposits into Bazil Services, Inc. Charter One Bank account number 002-005293-1 from 2003 through 2004 revealed that deposits into the account totaled \$477,543.32. Of the total identifiable deposits into the account from 2003 through 2004, deposit items identified as checks from Citiwide Management Group, Inc. totaled \$448,277.77. (W2-62, W2-65)

2. Conducts or attempts to conduct such a financial transaction:

The following is offered as evidence that YAROSLAV ROCHNIAK conducted financial transactions with the proceeds of the employment leasing businesses:

- A. The following is offered as evidence that checks written from the above Citiwide Management Group related bank accounts were utilized to pay for the following business expenses:

- 1) Employee Wage Payments
- 2) Apartment Rent Payments
- 3) Compensation Payments to YAROSLAV ROCHNIAK, GREGORY KUCHER, and ROMAN KUCHER
- 4) Management Fee Payments (Kickbacks) to ARRA Corporation

(1) Employee Wage Payments

The following is offered as evidence that at least \$2,757,001.35 of Citiwide Management Group's proceeds were disbursed to aliens who were determined to be "out of status", or unlawfully present and / or not authorized to work in the United States, as compensation for the hours that the aliens worked for the businesses:

SUPPORTING EVIDENCE: (See Evidence Below)

Note: Due to the fact that Citiwide Management Group utilized aliens, many of whom were present in the United States illegally and whose current whereabouts are unknown, it was not possible to locate and question many of the Citiwide Management Group employees in regard to their employment with the company. However, in addition to the checks being regular and reoccurring in nature, a number of the checks detailed below were verified to be payroll checks through interviews of former employees of Citiwide Management Group and search warrant records that were obtained during the search of Citiwide Management Group's office location. It is therefore assumed that the purpose of all of the checks detailed below were to pay the wages of the employees of Citiwide Management Group, Inc. and its related entities.

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Bank Account Analysis

- An analysis of the checks drawn on Citiwide Management Group's PNC Bank account number 10-1450-6648 and Fifth Third Bank account number 838-17656 from 2001 through 2005 revealed that checks were written to individuals who were identified as being unlawfully present or not authorized to work in the United States. In addition to being regular and recurring in nature, many of these checks written during the years 2001 and 2002 have the word "salary" handwritten on the memo line of the checks. (W2-10, W2-13, W2-16, W2-22, W2-25, W2-28, W2-31, W2-34, W2-37)
- An analysis of the checks drawn on Charter One Bank account number 157-0010215 during the years 2002 and 2003 revealed that numerous checks were written to individuals who were identified as being unlawfully present or not authorized to work in the United States. The majority of these individuals also received checks from the Citiwide Management Group Fifth Third Bank account 838-17656. (W2-41, W2-43)
- An analysis of the checks drawn on Monro Service PNC Bank account number 10-2136-5142 during 2005 revealed that checks were written to individuals who were identified as being unlawfully present or not authorized to work in the United States. (W2-70)
- An analysis of the checks drawn on Bazil Services PNC Bank account number 10-1656-6425 from 2003 through 2005 revealed that numerous checks were written to a large number of individuals who were identified as being "out of status", or unlawfully present and/or not authorized to work in the United States. Further analysis of the checks revealed that many of these individuals had the same names as the individuals who had been receiving checks from Citiwide Management Group PNC Bank account number 10-1450-6648 just prior to the opening of the Bazil Services PNC Bank account. (W2-55, W2-58, W2-61)
- An analysis of the checks drawn on Bazil Services Fifth Third Bank account number 838-18034 from 2003 through 2005 revealed that numerous checks were written to a large number of individuals who were identified as being "out of status", or unlawfully present and/or not authorized to work in the United States. Further analysis of the checks revealed that many of these individuals had the same name as the individuals who had been receiving checks from Citiwide Management Group Fifth Third Bank account number 838-17656 prior to the opening of the Bazil Services Fifth Third Bank account. (W2-46, W2-49, W2-52)

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- An analysis of the checks drawn on Bazil Services Charter One Bank account number 002-005293-1 from 2003 through 2005 revealed that numerous checks were written to individuals who were identified as being "out of status", or unlawfully present and/or not authorized to work in the United States. (W2-64, W2-67)
- The below chart summarizes disbursements from the above Citiwide Management Group related bank accounts from 2001 through 2005 to individuals that were determined to be "out of status" (unlawfully present and / or employed in the United States).

PAYMENT ACCOUNT	YEAR 2001	YEAR 2002	YEAR 2003	YEAR 2004	YEAR 2005	TOTAL PAYMENTS	EXHIBIT NO.
PNC Bank Account Number 10-1450-6648	\$34,596.91	\$467,220.27	\$21,941.03	\$0.00	\$0.00	\$523,758.21	(W2-1)
Fifth Third Bank Account Number 838-17656	\$34,209.30	\$139,209.51	\$35,057.92	\$0.00	\$0.00	\$208,476.73	(W2-1)
Charter One Bank Account Number 157-0010215	\$0.00	\$74,259.72	\$14,041.33	\$0.00	\$0.00	\$88,301.05	(W2-1)
PNC Bank Account Number 10-1656-6425	\$0.00	\$0.00	\$445,557.48	\$475,982.20	\$476,869.45	\$1,398,409.13	(W2-1)
Fifth Third Bank Account Number 838-18034	\$0.00	\$0.00	\$107,064.44	\$214,869.53	\$94,764.38	\$416,698.35	(W2-1)
Charter One Bank Account Number 002-005293-1	\$0.00	\$0.00	\$71,631.68	\$41,645.58	\$0.00	\$113,277.26	(W2-1)
Total Disbursements to Aliens Identified as Being "Out of Status"	\$68,806.21	\$680,689.50	\$695,293.88	\$732,497.31	\$571,633.83	\$2,748,920.73	

NOTE: Although the above chart reflects the total amount of checks known to be written to aliens that were identified as being "out of status", only checks over \$500.00 were requested from the banks and a check of the immigration status of many of the aliens known to receive checks from these accounts was not complete at the time of this report; therefore, it is likely that the above amounts largely underestimate the actual amount of wages that were paid to aliens who were "out of status" while employed by Citiwide Management Group.

Testimony of Gary Khamimov

Gary Khamimov provided the following statements regarding his knowledge of how the employees of Citiwide Management Group were compensated:

- Gary Khamimov stated that during his time managing Citiwide Management Group, the employees of the business were paid \$6.00 per hour to start and \$6.50 per hour after 3 or 6 months of employment. (W9-1, pgs 16, 20)

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- Khamimov advised that the employees of the business were paid by check from Citiwide Management Group bank accounts. (W9-1, pg 20)
- Khamimov estimated that up to 70% of the individuals employed with Citiwide Management Group were not permitted to work in the United States. (W9-1, pgs 46, 47)

Testimony of Volodymyr Koziy

Volodymyr Koziy provided the following statements regarding his knowledge of and employment with Bazil Services:

- Koziy starting in approximately 2004 he worked at a company called Bazil for JERRY and GREGORY as a "driver and stamp keeper". As driver, Koziy was responsible for driving Bazil Services' workers from Pittsburgh area apartment buildings, where JERRY and GREGORY housed the workers, to hotels in and around the Pittsburgh area. Koziy would transport between 10 to 15 workers per day. Koziy explained that the job of "stamp keeper" as simply allowing JERRY and GREGORY to keep an ink stamp of his signature, which they used to sign checks in the name of Bazil Services. (W15-1, pgs 5, 6, 9 thru 12)
- Koziy was supposed to be paid \$2,000 per month for his work at Bazil Services; however, the only month that he was paid the full \$2,000 was for his last month of employment at Bazil Services. Koziy was paid \$800 per month for the other months that he worked at Bazil Services. In addition to his pay, Koziy was also reimbursed for gasoline expenses that he incurred while driving the workers. Koziy was paid by check by either JERRY or GREGORY depending on who was managing the company at the time. Koziy explained that JERRY and GREGORY would take turns managing the company in two week intervals; however, they sometimes overlapped a few days. Koziy considered JERRY to be his boss; however, GREGORY would usually sign his paychecks. (W15-1, pgs 7, 8, 10, 11)
- Koziy explained that as part of his duties as "stamp keeper", JERRY and GREGORY requested that he open or extend checking accounts for Bazil Services in his name. Koziy recalled having to make several trips to Ohio in order to open or extend an account for the company due to one bank not allowing them to open or extend the account in Koziy's name. Both JERRY and GREGORY accompanied Koziy to Fifth Third Bank and another bank in Ohio and to PNC Bank in Pittsburgh. Koziy was aware that JERRY and GREGORY were using checks from the Bazil Services bank accounts in his name to pay the employees of the business. To Koziy's knowledge, he was never listed as president of Bazil Services and he was "just a stamp keeper". (W15-1, pgs 13 thru 15)

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Testimony of Plamen Krastev

Plamen Krastev who entered the United States on a B2 visa, a tourist visa, from Bulgaria provided the following statements regarding his employment with Citiwide Management Group:

- According to Krastev, he and the other Citiwide Management Group employees received their wages from Citiwide Management Group in the form of a check every other Friday. During the time when JERRY and GREGORY operated Citiwide Management Group, either JERRY or GREGORY would hand out the paychecks to the employees; however, occasionally the driver would hand the checks out in the mornings. (W18-1, pgs 2, 3)
- Krastev explained that at some point the name on the paychecks given to the Citiwide Management Group employees changed from Citiwide Management Group to Bazil Services; however, JERRY and GREGORY continued to operate under the name Citiwide Management Group. (W18-1, pg 3)
- Krastev identified PNC Bank check numbers 3839, 3991, 4057, and 4136 in the name of Bazil Services, Inc. as checks that he received as compensation for work that he performed as a housekeeper for Citiwide Management Group. Krastev advised that the Citiwide Management Group employees didn't question why the checks said Bazil Services on them because they knew that they were working for JERRY and the only thing that mattered to them was that they were paid. (W18-1, pg 3)

NOTE: An analysis of all of the Citiwide Management Group and Bazil Services bank accounts revealed that Krastev received checks from the Citiwide Management Group and Bazil Services PNC Bank accounts during the years 2001, 2002, and 2005. In all Krastev, received at least \$20,376.94 from the accounts. (Appendix C)

Testimony of Henrik Mkrtchyan

Henrik Mkrtchyan who entered the United States on a B1 visa, a tourist visa, from Russia provided the following statements regard his employment with Citiwide Management Group:

- Mkrtchyan stated that when he entered the U.S. at the New York airport, someone gave him a telephone number to call if he wanted to work. Mkrtchyan advised that after calling the number, he met with YAKOV (LNU) in Pittsburgh, who hired him to work cleaning restaurants and hotel

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rooms for a cleaning company. Mkrtchyan recalled that YAKOV asked him for his passport and visa when he was hired, but he doesn't recall anyone asking him about his work status in the U.S. when he was hired. Mkrtchyan doesn't know whether or not YAKOV photocopied his passport and visa when he was hired. Mkrtchyan doesn't know what YAKOV'S position with the company was; however, it appeared to Mkrtchyan that YAKOV held a position of authority within the company. (W22-1, pgs 1, 2)

- Mkrtchyan stated that after initially working for the cleaning company in Pittsburgh, he moved to Cleveland to work for the cleaning company. Mkrtchyan advised that there were too many managers at the company during his employment there for him to remember; however, Mkrtchyan knows that "SLAVA" (LNU) had owned the company prior to KUCHER and that KUCHER had been a manager at the company for SLAVA, prior to becoming an owner himself. Mkrtchyan believes that KUCHER started working as a manager in the cleaning company in 2004. According to Mkrtchyan, KUCHER was still operating the cleaning company in 2006 when he quit working for the company. (W22-1, pg 2)
- Mkrtchyan advised that he didn't see SLAVA much because SLAVA lived in New York. Mkrtchyan recalled that SLAVA wore his hair in the ponytail. (W22-1, pg 2)
- Mkrtchyan initially earned \$6.50 per hour for his work with SLAVA'S and KUCHER'S company, but at some point during his employment, he was given a raised and he was paid \$7.50 per hour. Mkrtchyan was usually paid by check on a bi-weekly basis; however, occasionally he was paid with cash. After reviewing a spreadsheet of payments made to Mkrtchyan from Citiwide, dating from 12/19/2001 through 08/05/2005, Mkrtchyan stated that he received those payments for his work at the cleaning company; however, not all of the money on the checks was his because the wages of other Citiwide employees were sometimes included in his paychecks because the other workers didn't have bank accounts in which to negotiate their checks. To Mkrtchyan's knowledge, no Forms W2 or 1099 were ever completed to document the wages that he earned with the company. (W22-1, pg 2)

NOTE: An analysis of all of the Citiwide Management Group and Bazil Services bank accounts revealed that Mkrtchyan received checks from the Citiwide Management Group and Bazil Services PNC Bank and Charter One Bank accounts during the years 2001 through 2005. In all Mkrtchyan, received at least \$86,681.72 from the accounts. (Appendix C)

Testimony of Olena Chukova

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Olena Chukova who entered the United States on a B2 visa, a tourist visa, from Estonia provided the following statements regarding her employment with Citiwide Management Group:

- Olena Chukova stated that she arrived in the United States from Estonia on January 16, 2003. Chukova came to the United States with her friend, Svetlana Yastrebova, to work for YAROSLAV, who Chukova also knows as JERRY, and GREGORY at Citiwide "Company" in Pittsburgh, Pennsylvania. According to Chukova, Yastrebova told Chukova that she had successfully worked for Citiwide in the past. (W17-1, pgs 5, 7 thru 10, 23)
- Chukova stated that when she and Yastrebova arrived in Pittsburgh, two drivers from Citiwide, Vasiliy Alekseyev and Sergei Beryozka, picked them up from the airport. During her first day in Pittsburgh, GREGORY explained to Chukova that she would be paid \$6.00 per hour at first and \$6.50 per hour after 6 months, that she would have to pay \$300 as an employment fee, that she would be responsible for paying rent and transportation, and that two weeks' of her pay would be held as a deposit. GREGORY explained to Chukova that if she left before three months, she wouldn't get the deposit back. (W17-1, pgs 10 thru 11, 14, 15)
- Chukova estimated that when she first arrived in Pittsburgh, Citiwide had between 8 to 10 apartments and housed 4 or 5 employees in each. (W17-1, pgs 21, 22)
- Chukova stated that the Citiwide employees were paid by check. To Chukova's knowledge, no taxes were ever paid for the wages that she earned while working at Citiwide. (W17-1, pg 20)
- Chukova stated that initially she received checks from Citiwide bank accounts; however, the name on the checks was later changed to Basil. Chukova knows that GREGORY initially signed her checks and they were later signed by Vladimir Koziy. Chukova knows that Koziy worked for Citiwide as a driver and in the laundry, but he only worked for the company for a short period of time. After Koziy left Citiwide's employment, his name continued to appear on the paychecks given to Chukova. (W17-1, pg 31)
- Chukova left Citiwide's employment in September 2005, when she and other employees of Citiwide were arrested. (W17-1, pg 34)

NOTE: An analysis of all of the Citiwide Management Group and Basil Services bank accounts revealed that Chukova received checks from

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the Bazil Services PNC Bank account during the years 2003 through 2005. In all Chukova, received at least \$44,356.46 from the account. (Appendix C)

Testimony of Daniel Krinickas

Daniel Krinickas who entered the United States on a B2 visa, a tourist visa, from Lithuania provided the following statement regarding his employment with Citiwide Management Group:

- While visiting friends in the Ohio area, Krinickas was hired by Vladimir (LNU) to work with Citiwide Management Group to clean hotel rooms and drive a van for the company. (W21-1, pg 1)
- Krinickas usually worked at the Holiday Inn, Strongsville, OH and at one or two other hotels, the names he could not recall. (W21-1, pg 1)
- Krinickas was paid approximately \$6.00/hour for his work with Citiwide Management Group. To Krinickas' knowledge, no taxes were paid on the wages that he received from Citiwide Management Group and no W-2 or 1099 was filed by the company on his behalf. Krinickas was paid by check for his wages. After reviewing a spreadsheet of payments made to Krinickas from Citiwide, dating from 03/08/2002 through 10/15/2002, Krinickas advised that he received those payments for his work at the cleaning company. However, the wages of other Citiwide employees were sometimes included in his paychecks because the other workers didn't have bank accounts in which to negotiate their checks. (W21-1, pg 1)
- Krinickas stopped working for Citiwide because he married Kimberly, the assistant housekeeping manager at the Strongsville Holiday Inn, and obtained a work permit, which in turn allowed him to obtain better employment. (W21-1, pg 2)

NOTE: An analysis of all of the Citiwide Management Group and Bazil Services bank accounts revealed that Krinickas received checks from the Fifth Third Bank and Charter One Bank accounts during the years 2002. In all Krinickas received at least \$12,464.00 from the accounts. (Appendix C)

Search Warrant Evidence

A search warrant conducted at 1848 Chessland Street, Apt 14, Pittsburgh, PA, the office location of Citiwide Management Group produced evidence indicating that the above disbursements from the Citiwide Management

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Group related bank accounts were in fact used to pay individuals who were determined to be "out of status".

SUPPORTING EVIDENCE: (See Evidence Below)

- Photocopies of identification documents, including visas and passports, of individuals who received checks from Citiwide Management Group and Bazil Service bank accounts. (W2-1)
- Yearly payroll ledgers for the business. Information included in the payroll ledgers are employee name, hotel name(s) where the employees worked, time period worked, hours worked, wage rate of each employee, wage due per time period, deductions from pay, and the number each check issued for payroll. A sample comparison of the checks drawn on PNC Bank account number 10-1450-6648 in the name of Citiwide Management Group to the 2001 through 2003 payroll ledgers discovered during the search revealed that the check numbers and payee names on the checks coincide to the check numbers and employee names on the payroll ledgers. A comparison of the checks drawn on PNC Bank account number 1016566425 in the name of Bazil Services, Inc. to the 2003 through 2005 payroll ledgers discovered during the search revealed that the check numbers and payee names on the checks coincide to the check numbers and employee names on the payroll ledgers. (W2-4, W3-38 thru W3-49)

NOTE: The ledgers are two-sided sheets, but exhibited as two separate pages for ease of review.

During the execution of search warrants at 21 apartments being leased by Citiwide Management Group and Midwest Best in Pittsburgh and Cleveland, 50 individuals, who were determined to be "out of status" at the time of their encounter and who received checks from one of the above Citiwide Management Group bank accounts during the investigation years, were encountered during the searches.

SUPPORTING EVIDENCE: (See Evidence Below)

- 64 individuals were encountered at 21 apartments being leased by Citiwide Management Group. Of the 64 individuals encountered, 52, or approximately 81%, were determined to be "out of status" at the time of their encounter. (W3-5, W3-6)
- In addition to the above 64 individuals being encountered during the search warrants, 4 individuals, who were determined to be "out of status" at the time of their encounter, were later encountered working

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for Citiwide Management Group at the Radisson in Monroeville, Pennsylvania. (W3-5, W3-6)

- In all, of the 68 individuals encountered during the execution of the search warrants and at later at the Radisson, 56, or approximately 82%, were determined to be "out of status" at the time of their encounter. (W3-5, W3-6)
- Of the 56 individuals encountered that who were determined to be "out of status" at the time of their encounter, 50 were determined to have received checks from the above Citiwide Management Group bank accounts. (W2-1, W3-5, W3-6)

(2) Apartment Rent Payments

The following is offered as evidence that the purpose of the checks made payable to the following apartment management companies from Citiwide Management Group, Inc. and its related entities was to pay rent on apartments that were being leased for the purpose of housing the foreign workers of Citiwide Management Group, Inc. and its related entities, including workers who were determined to be unlawfully present and/or not authorized to work in the United States:

SUPPORTING EVIDENCE: (See Below Evidence)

Pittsburgh Preferred Properties

Bank Account Analysis

- An analysis of the checks drawn on Citiwide Management Group, Inc. PNC Bank account number 10-1450-6648 revealed that numerous checks were written from the account to Pittsburgh Preferred Properties. The below chart summarizes the payments made from the above account to Pittsburgh Preferred Properties for the years 2001 through 2005:

PAYEE	YEAR 2001	YEAR 2002	YEAR 2003	YEAR 2004	YEAR 2005	TOTAL PAYMENTS	EXHIBIT (NO)
Pittsburgh Preferred Properties	\$0.00	\$0.00	\$4,200.00	\$11,210.00	\$28,096.00	\$43,506.00	(W2-1)

Testimony of David Loeb

David Loeb, Newbury Realty Property Manager, provided the following statements regarding apartments being leased to Citiwide Management Group by Newbury Realty:

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- Newbury Realty had at one time leased seven apartments to YAROSLAV ROCHNIAK of Citiwide Management Group. Loeb would deal with either ROCHNIAK or GREGORY KUCHER for the rent payments or issues related to the leased apartments. The rent for the apartments was paid on a monthly basis with a Citiwide Management Group check. Although Newbury Realty is responsible for the leasing of the apartments, the apartments are actually owned by Pittsburgh Preferred Realty. Therefore, the rent checks were made out to Pittsburgh Preferred Realty. (W30-1, W30-2)
- Citiwide Management Group entered into the following apartment leases with Pittsburgh Preferred Properties:

LEASE DATE	APARTMENT NO.	TENANT(S)	LEASE TERM	RENT AMOUNT	EXHIBIT NO.
12/03/2002	1848 Chessland Street, Apartment #14	YAROSLAV ROCHNIAK	December 3, 2002 to December 31, 2002	\$650.00	(W30-3)
07/29/2004	1816 Chessland Street, Apartment #1	"JERRY" ROCHNIAK	July 29, 2004 to October 31, 2004	\$635.00	(W30-4)
12/22/2004	1848 Chessland Street, Apartment #21	GREGORY KUCHER	December 22, 2004 to December 31, 2005	\$550.00	(W30-7)
03/31/2005	1459 Poplar Street, Apartment #6	GREGORY KUCHER	March 31, 2005 to March 31, 2006	\$650.00	(W30-5)
05/06/2005	1810 Chessland Street, Apartment #26	GREGORY KUCHER	May 6, 2005 to May 31, 2006	\$635.00	(W30-8)
06/01/2005	1459 Poplar Street, Apartment #12	GREGORY KUCHER (Citiwide Management)	June 1, 2005 to May 31, 2006	\$555.00	(W30-9)
06/10/2005	1814 Chessland Street, Apartment #9	"JERRY" ROCHNIAK	June 10, 2005 to June 30, 2006	\$635.00	(W30-6)

Testimony of Erin Cato

Erin Cato, Newbury Realty office manager, provided the following statements regarding apartments being leased to Citiwide Management Group by Newbury Realty:

- Beginning in 2006 the apartments that were being leased by Citiwide Management Group were renewed under the business name Monro Service, Inc. Until February 2007, George Kursky signed the leases for Monro Service, Inc. After February 2007, Dmitriy Sheremet began signing the leases for Monro Service, Inc. (W20-1)
- Monro Service, Inc. continues to lease the following apartments from Newbury Realty that were previously being leased by Citiwide Management Group, Inc:
 - 1848 Chessland Street, Apartment #14 (W20-1)
 - 1459 Poplar Street, Apartment # 12 (W20-1)
 - 1810 Chessland Street, Apartment # 26 (W20-1)
 - 1816 Chessland Street, Apartment #1A (W20-1)

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- In addition to the above leases that Monro Service renewed, Monro Service also entered into the following new leases with Newbury Realty:
 - 1848 Chessland Street, Apartment # 5 (W20-1)
 - 1848 Chessland Street, Apartment # 8 (W20-1)
- Although the leases for Monro Service, Inc. were signed by George Kursky and then Dmitriy Sheremet, GREGORY KUCHER continued to be the contact for the apartments being leased by Monro Service through Newbury. (W20-1)

Search Warrant Evidence

- On September 8, 2005 search warrants were conducted at Pittsburgh Preferred Realty properties that were being leased by YAROSLAV ROCHNIAK, GREGORY KUCHER, and/or Citiwide Management Group. The following individuals were encountered at the following apartments:
 - 1848 Chessland Street, Apartment 14

The apartment was being utilized as the business address for Citiwide Management Group, Inc. YAROSLAV ROCHNIAK was encountered at the apartment. (W3-6)
 - 1848 Chessland Street, Apartment 21

Levon Harutyunyan and Valentina Zolotarlová, aliens who were arrested for violating their immigration status at the time of the search, were encountered at the apartment. (W3-6)
 - 1816 Chessland Street, Apartment 1-A

Dilmurat Ikramov, Artem Krasnoslobodtsev, Halina Bujko, and Barbara Przybylo, aliens, who were arrested for violating their immigration status at the time of the search, were encountered at the apartment. Additionally, Grzegorz Makowski, a naturalized USC was also encountered in the apartment. (W3-6)
 - 1814 Chessland Street, Apartment 9

Aleksandra Witczak, Anna Rogojsza, Leszek Kunicki, Michal Wojtuniak, and Miroslaw Zuk, aliens, who were arrested for violating their immigration status at the time of the search, were encountered at the apartment. (W3-6)

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➤ 1810 Chessland Street, Apartment 26

Tatiana Nevraeva, Hasmik Harutyunyan, Tatevos Hartutyunyan, and Alexandra Surzhenko, aliens, who were arrested for violating their immigration status at the time of the search, were encountered at the apartment. (W3-6)

➤ 1459 Popular Street, Apartment 6

Shakhnazar Mamatraimov, Jamshid Yulchibaev, Shakhnoza Yulchibaeva, and Dilshod Nigmatov, aliens, who were arrested for violating their immigration status at the time of the search, were encountered at the apartment. (W3-6)

➤ 1459 Popular Street, Apartment 12

Tavakal Turaev, an alien who were arrested for violating his immigration status at the time of the search, was encountered at the apartment. Additionally, George Kursky, a USC, was also encountered at the apartment. (W3-6)

- Of the 7 apartments being leased with Newbury Realty by Citiwide Management Group, Inc. at the time of the search, a total of 22 individuals were encountered at the apartments. Of the 22 individuals encountered at the apartments, 20, or approximately 91%, were arrested for violating their immigration status at the time of the search. (W3-6)

Prudential Realty Company

Bank Account Analysis

- An analysis of the checks drawn on Citiwide Management Group, Inc. PNC Bank account number 10-1450-6648 revealed that numerous checks were written from the account to Prudential Realty Company. The below chart summarizes the payments made from the above account to Prudential Realty Company for the years 2001 through 2005:

PAYEE	YEAR 2001	YEAR 2002	YEAR 2003	YEAR 2004	YEAR 2005	TOTAL PAYMENTS	EXHIBIT NO.
Prudential Realty Company	\$6,765.00	\$52,227.50	\$47,905.00	\$26,955.00	\$20,125.00	\$153,977.50	(W2-1)

Testimony of Diana Dickson

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Diana Dickson, representative for Prudential Realty Company, provided the following statements regarding apartments being leased to Citiwide Management Group by Prudential Realty Company:

- Citiwide Management Group had rented a total of 14 different apartments from Prudential Realty. Additionally, ARD First, Inc., a business associated with Citiwide Management Group, had rented 9 different apartments from Prudential Realty prior to Citiwide Management Group renting apartments at the property. (W46-1)
- Citiwide Management Group entered into the following apartment leases with Prudential Realty at 833 Greentree Road, Pittsburgh, PA 15220:

LEASE DATE	APARTMENT NO.	TENANT(S)	LEASE TERM	RENT AMOUNT	EXHIBIT NO.
10/01/2000	B1A9	ARD First, Inc.	October 1, 2000 to August 31, 2001	\$560.00	(W46-2)
10/01/2001	B1A8	Citiwide Management Group, Inc. / Gary Khanimov	Month to Month	\$575.00	(W46-3)
11/01/2001	B1A2	Citiwide Management Group, Inc. / Gary Khanimov	Month to Month	\$575.00	(W46-4)
11/01/2001	B1A9	Citiwide Management Group, Inc. / Gary Khanimov	Month to Month	\$575.00	(W46-5)
11/01/2001	B3A8	Citiwide Management Group, Inc. / Gary Khanimov	Month to Month	\$575.00	(W46-6)
11/01/2001	B3A9	Citiwide Management Group, Inc. / Gary Khanimov	Month to Month	\$575.00	(W46-7)
11/01/2001	B4A8	Citiwide Management Group, Inc. / Gary Khanimov	Month to Month	\$575.00	(W46-8)
02/01/2002	B1A1	Citiwide Management Group, Inc. / Gary Khanimov	February 1, 2002 to January 31, 2003	\$525.00	(W46-9)
04/15/2002	B2A2	Citiwide Management Group, Inc.	Month to Month	\$525.00	(W46-10)
05/01/2002	B1A10	Citiwide Management Group, Inc.	Month to Month	\$525.00	(W46-11)
09/01/2002	B1A6	Citiwide Management Group, Inc.	Month to Month	\$590.00	(W46-12)
08/01/2004	B1D	Citiwide Management Group, Inc.	August 1, 2004 to August 31, 2005	\$445.00	(W46-13)

Testimony of Jose Juergen

Josie Juergen, former resident manager of the Greentree Garden Apartments, provided the following statements regarding apartments being leased to Citiwide Management Group by Prudential Realty Company:

- Josie Juergen stated that she and her husband, Bernard Juergen, worked for Prudential Realty as resident managers of the Greentree Garden Apartments for 18 years. Josie and Bernard lost their positions as the resident managers of the Greentree Garden Apartments in January 2007 when the owner of the apartment complex, Costman Development, ceased using Prudential Realty to manage the apartment complex. Josie and Bernard's duties as resident managers included completing the applications and other lease documents for Prudential Realty. (W47-1)

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- Juergen remembered that JACOB (LNU) had leased a number of 2 bedroom apartments at the Greentree Garden Apartments to house the workers of his cleaning service businesses, Sweepsmart, Inc. and ARD First, Inc. In addition to housing the workers of Sweepsmart, Inc. and ARD First, Inc, JACOB leased a 1 bedroom apartment at the Greentree Garden Apartments that he utilized as his office. Juergen advised that JACOB would put up to 10 workers in one 2 bedroom apartment. The rent for the apartments leased by JACOB was paid with checks from Sweepsmart, Inc. and ARD First. Juergen stated that Alex Chursin was JACOB'S partner in the cleaning service businesses. All of the workers housed in the apartments leased by JACOB were of Eastern European decent. (W47-1)
- Juergen stated that at some point JACOB told her that he was moving to Florida and that JERRY (LNU) was going to take over the business. Juergen recalled that when JERRY took over the cleaning service business, he began operating the business under the name Citiwide Management Group. Initially JERRY had a partner, Gary Khamimov, who helped him manage the business; however, at some point JERRY fired Khamimov and brought in GREGORY as his new partner in the business. Juergen recalled that JERRY just assumed the leases on the apartments that had been leased by JACOB and the same tenants stayed in the apartments after JACOB left for Florida. The only change made after JACOB left was the name of the company. JERRY and GREGORY paid the rent for the apartments with Citiwide Management Group checks. The checks were always written to Prudential. (W47-1)

Search Warrant Evidence

- On September 8, 2005 search warrants were conducted at Prudential Realty properties that were being leased by Citiwide Management Group. The following individuals were encountered at the apartments:
 - 833 Greentree Road, Apartment B1A6
Mukhabbat Abdullaeva and Zakir Mavlyanov, aliens who were arrested for violating their immigration status at the time of the search, were encountered at the apartment. (W3-6)
 - 833 Greentree Road, Apartment B1A8
Boris Matvijenko, Vladislava Vladimirova, and Sirojitdin Asamov, aliens, who were arrested for violating their immigration status at the time of the search, were encountered at the apartment. (W3-6)

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➤ 833 Greentree Road, Apartment B1A-D (Business Address for Basil Services)

Vitaliy Kukhar and Oksana Kukhar, legal aliens' permanent residents in the United States at the time of the search warrant, were encountered at the apartment. (W3-6)

➤ 833 Greentree Road, Apartment B3A8

Marek Kowalski and Bernarda Sadowska, aliens who were arrested for violating their immigration status at the time of the search, were encountered at the apartment. (W3-6)

➤ 833 Greentree Road, Apartment B3A9

Dominika Kosciolek, Ziyovuddin Asamov, Maciej Krupinski, Leszek Jankowski, Bogna Zabicka-Czop, and Wioletta Pietruszka, aliens, who were arrested for violating their immigration status at the time of the search, were encountered at the apartment. (W3-6)

- Of the 5 apartments being leased with Prudential Realty by Citiwide Management Group at the time of the search, a total of 15 individuals were encountered at the apartments. Of the 15 individuals encountered at the apartments, 13, or approximately 87%, were arrested for violating their immigration status at the time of the search. (W3-6)

Testimony of Plamen Krastev

Plamen Krastev provided the following statements regarding his knowledge of Citiwide Management Group leasing apartments at the Greentree Garden Apartments:

- Plamen Krastev stated that when he initially began working for Citiwide Management Group in 2001, "JACOB" provided him with housing at the Greentree Garden Apartments with other Citiwide Management Group employees. During the time that "JACOB" was in charge of Citiwide Management Group, he would pay the employees everything that they were owed in their paychecks and the employees were then required to pay rent for the apartments to "JACOB" by the 1st of every month. The amount charged to the employees for renting the apartments was split by the number of tenants that were placed in each apartment. When "JERRY" and "GREGORY" operated Citiwide Management Group, the rent for the apartments was deducted from the employee's paychecks. (W18-1, pgs 1, 3)

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Testimony of Olena Chukova

Olena Chukova provided the following statements regarding her knowledge of apartments leased by Citiwide Management Group:

- Olena Chukova stated that in January 2003 when she initially began working for Citiwide Management Group, JERRY and GREGORY provided her with housing at the Greentree Garden Apartments with other Citiwide Management Group employees. In May 2003, Chukova was moved to an apartment on or near Butler Street, where she stayed until June 2004. In June 2004, Chukova was moved to the Racquet Club Apartments in Monroeville. Chukova stayed in apartment # 504 in the Racquet Club Apartments. The rent for each apartment was divided between the tenants and paid to JERRY and GREGORY in the form of cash. (W17-1, pgs 12, 13, 22)
- Chukova advised that the amount of rent that she was required to pay to Citiwide Management Group depended on how many people were living in the apartment with her. Chukova explained that the total rent for the entire apartment was divided between all of the people living there and since she worked for the company over an extended period of time, the total number of people living with her varied. (W17-1, pgs 18, 19)

Testimony of Gevorg Hovhannisyan

Gevorg Hovhannisyan provided the following statements regarding his knowledge of Citiwide Management Group leasing apartments at the Greentree Garden Apartments:

- Gevorg Hovhannisyan stated that when he initially began working for Citiwide Management Group in 2004, "JERRY" and "GREGORY" provided him with housing in a two bedroom apartment at the Greentree Garden Apartments with up to 6 other Citiwide Management Group employees. (W16-1, pgs 13, 19 thru 23)
- The Citiwide Management Group employees never paid rent to the landlord. Instead, the rent money was taken from the Citiwide Management Group employees checks by "JERRY" and "GREGORY". Hovhannisyan stated that the employees were being charged approximately \$150.00 per month each for rent. Hovhannisyan believes that "JERRY" and "GREGORY" were making a profit on the rent that they charged the employees because they charged six or seven people \$150.00 per month each and the apartments were only costing them \$400.00 or \$500.00 per month. (W16-1, pgs 32, 33)

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- "JERRY" and "GREGORY" eventually moved Hovhannisyan to the Racquet Club Apartments in Monroeville. Hovhannisyan address at the Racquet Club Apartments was 100 Oxford Drive, Apartment # 504. (W16-1, 26 thru 28)

Triangle Realty

Bank Account Analysis

- An analysis of the checks drawn on Citiwide Management Group, Inc. PNC Bank account number 10-1450-6648 revealed that numerous checks were written from the account to Triangle Realty. The below chart summarizes the payments made from the above account to Triangle Realty for the years 2001 through 2005:

PAYEE	YEAR 2001	YEAR 2002	YEAR 2003	YEAR 2004	YEAR 2005	TOTAL PAYMENTS	EXHIBIT NO.
Triangle Realty	\$0.00	\$4,025.00	\$13,840.00	\$9,875.00	\$5,265.25	\$33,005.25	(W2-1)

Testimony of Mary Lowry

Mary Lowry, owner of Triangle Realty, provided the following statements regarding apartments being leased to Citiwide Management Group by Triangle Realty:

- Citiwide Management Group had previously leased up to three apartments at Greentree Village Apartments. All of the apartments leased by Citiwide Management Group were leased in the company's name, not the tenants. The most recent apartment leased by Citiwide Management Group was 1448 Popular Street, Unit #13. The lease for unit #13 was signed by YAROSLAV ROCHNIAK. (W31-1, W31-3, W31-4)
- Citiwide Management Group entered into the following apartment leases with Triangle Realty:

LEASE DATE	APARTMENT ADDRESS	TENANT(S)	LEASE TERM	RENT AMOUNT	EXHIBIT NO.
12/02/2002	1448 Popular Street, Apt 13, Pittsburgh, Pennsylvania	Yaroslav Rochniak	December 2, 2002 to May 31, 2003	\$575.00	(W31-2)

Search Warrant Evidence

- On September 8, 2005 search warrants were conducted at Triangle Realty properties that were being leased by YAROSLAV ROCHNIAK / Citiwide Management Group. The following individuals were encountered at the apartments:

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➤ 1448 Popular Street, Apartment 13

Albert Nikolyan, Anahit Nikolyan, Hasmik Hovhannisyan, and Valentina Aydinyan, aliens, who were arrested for violating their immigration status at the time of the search, were encountered at the apartment. (W3-6)

- In the 1 apartment being leased with Triangle Realty by Citiwide Management Group at the time of the search, a total of 4 individuals were encountered at the apartment. Of the 4 individuals encountered at the apartment, 4 were arrested for violating their immigration status at the time of the search. (W3-6)

Racquet Club Apartments (Oxford Development Company)

Bank Account Analysis

- An analysis of the checks drawn on Citiwide Management Group, Inc. PNC Bank account number 10-1450-6648 revealed that numerous checks were written from the account to The Racquet Club Apartments. The below chart summarizes the payments made from these accounts to The Racquet Club Apartments for the years 2001 through 2005:

PAYEE	YEAR 2001	YEAR 2002	YEAR 2003	YEAR 2004	YEAR 2005	TOTAL PAYMENTS	EXHIBIT NO.
The Racquet Club Apartments	\$0.00	\$0.00	\$0.00	\$7,330.00	\$6,365.00	\$13,695.00	(W2-1)

Testimony of Christi Barber

Christi Barber, general manager at the Racquet Club Apartments, provided the following statements regarding apartments leased to Citiwide Management Group by Oxford Development:

- Citiwide Management Group had been renting two apartments at The Racquet Club Apartments. The last apartment rented by Citiwide Management Group at The Racquet Club Apartments was apartment # 504. GREGORY KUCHER signed the lease for apartment # 504 at The Racquet Club Apartments. The monthly rent for the apartment is \$915.00 per month. The Racquet Club Apartments are managed by Oxford Development Company. (W32-1)
- Citiwide Management Group entered into the following apartment leases with Oxford Development Company:

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LEASE DATE	APARTMENT ADDRESS	TENANT(S)	LEASE TERM	RENT AMOUNT	EXHIBIT NO.
05/01/2005	100 Oxford Drive, Apt #504, Monroeville, Pennsylvania	Citiwide Management Group (Signed by Gregory Kucher)	May 01, 2004 through April 30, 2005 May 01, 2005 through April 30, 2006	\$905.00	(W32-2)

Search Warrant Evidence

- On September 8, 2005 search warrants were conducted at Racquet Club Apartment property that was being leased by GREGORY KUCHER / Citiwide Management Group. Although no individuals were encountered at the apartment during the search, Olena Chukova, Viktor Tsukova, Stepan Vizinshyy, and Wieslawa Wiecko, aliens who were arrested for violating their immigration status at the time of the search, were encountered working at the Radisson Hotel in Monroeville, Pennsylvania and provided 100 Oxford Drive, Apartment 504 as their current home address. (W3-6)

Testimony of Olena Chukova

Olena Chukova provided the following statements regarding her knowledge of apartments leased by Citiwide Management Group:

- Olena Chukova stated that in January 2003 when she initially began working for Citiwide Management Group, JERRY and GREGORY provided her with housing at the Greentree Garden Apartments with other Citiwide Management Group employees. In May 2003, Chukova was moved to an apartment on or near Butler Street, where she stayed until June 2004. In June 2004, Chukova was moved to the Racquet Club Apartments in Monroeville. Chukova stayed in apartment # 504 in the Racquet Club Apartments. The rent for each apartment was divided between the tenants and paid to JERRY and GREGORY in the form of cash. (W17-1, pgs 12, 13, 22)
- Chukova advised that the amount of rent that she was required to pay to Citiwide Management Group depended on how many people were living in the apartment with her. Chukova explained that the total rent for the entire apartment was divided between all of the people living there and since she worked for the company over an extended period of time, the total number of people living with her varied. (W17-1, pgs 18, 19)

Testimony of Gevorg Hovhannisyan

Gevorg Hovhannisyan provided the following statements regarding his knowledge of Citiwide Management Group leasing apartments at the Greentree Garden Apartments:

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- Gevorg Hovhannisyan stated that when he initially began working for Citiwide Management Group in 2004, "JERRY" and "GREGORY" provided him with housing in a two bedroom apartment at the Greentree Garden Apartments with up to 6 other Citiwide Management Group employees. (W16-1, pgs 13, 19 thru 23)
- The Citiwide Management Group employees never paid rent to the landlord. Instead, the rent money was taken from the Citiwide Management Group employees checks by "JERRY" and "GREGORY". Hovhannisyan stated that the employees were being charged approximately \$150.00 per month each for rent. Hovhannisyan believes that "JERRY" and "GREGORY" were making a profit on the rent that they charged the employees because they charged six or seven people \$150.00 per month each and the apartments were only costing them \$400.00 or \$500.00 per month. (W16-1, pgs 32, 33)
- "JERRY" and "GREGORY" eventually moved Hovhannisyan to the Racquet Club Apartments in Monroeville. Hovhannisyan address at the Racquet Club Apartments was 100 Oxford Drive, Apartment # 504. (W16-1, 26 thru 28)

Owner's Management Company (Rockside Park Towers)

Bank Account Analysis

- An analysis of the checks drawn on Citiwide Management Group, Inc. Fifth Third Bank account number 838-17656 revealed that numerous checks were written from the account to Owner's Management Company. The below chart summarizes the payments made from the above account to Owner's Management Company for the years 2001 through 2005:

PAYEE	YEAR 2001	YEAR 2002	YEAR 2003	YEAR 2004	YEAR 2005	TOTAL PAYMENTS	EXHIBIT NO.
Owner's Management Company	\$6,944.00	\$35,161.70	\$44,204.00	\$34,412.00	\$12,210.00	\$132,931.70	(W2-1)

Testimony of Gregory Matthews

Gregory Matthews, Rockside Park Tower property manager, provided the following statements regarding apartments being leased to Citiwide Management Group by Owner's Management Company:

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- Owner's Management Company is the company which manages the property at Rockside Park Tower Apartments. The company known as Citiwide Management Group has leased apartments at Rockside Park Towers for a number of years. Citiwide Management Group has changed its name every few years since it's been renting apartments at Rockside Towers. Matthews stated that Citiwide Management Group has also operated under the names of SweepSmart, ARRA, Inc., ARD First, Inc., All J Help, Inc., and the company has most recently been operated by ROMAN KUCHER under the name Midwest Best, Inc. (W33-1 thru W33-3)
- During the period of time that the company operated as Citiwide Management Group, Inc., YAROSLAV ROCHNIAK was Matthews' point of contact for any issues that arose relating to the apartments leased by the company. (W33-1 thru W33-3)
- In 2005, Citiwide Management Group had been re-purchased by JACOB SHAKHANOV, the individual who operated Citiwide Management Group prior to ROCHNIAK, at which time SHAKHANOV took possession of the apartments being leased by Citiwide Management Group. SHAKHANOV changed the name of the company to All J Help. (W33-1 thru W33-3)
- Later in 2005, SHAKHANOV appeared to have sold All J Help to ROMAN KUCHER, who changed the name of the company to Midwest Best, Inc. (W33-1 thru W33-3)
- Matthews stated that the rent for the apartments leased by Citiwide Management Group and related entities is paid for on a monthly basis with a company check. Matthews receives the rent checks through the mail. Normally one check is used to pay for all of the apartments leased by Citiwide Management Group. (W33-1 thru W33-3)
- Citiwide Management Group and its related entities entered into the following leases with Owner's Management Company to lease apartments at Rockside Park Towers:

LEASE DATE	APARTMENT NO.	TENANT(S)	LEASE TERM	RENT AMOUNT	EXHIBIT NO.
10/05/1998	222-B	JACOB SHAKHANOV and Vladimir Kovardinsky	Month to Month	\$1,000.00	(W33-4)
04/07/1999	522-B	JACOB SHAKHANOV and Vladimir Kovardinsky	April 1, 1999 to March 31, 2000	\$653.00	(W33-5)
06/16/1999	706-C	JACOB SHAKHANOV, Konstatin Semenovich Redko, and Iryna Banadyk	July 1, 1999 to June 30, 2000	\$627.00	(W33-6)
04/19/2000	306-B	ARD First, Inc / Alex Tchoursine (Resident)	May 1, 2000 to April 30, 2001	\$642.00	(W33-7)
06/06/2000	315-C	ARD First, Inc., Viktor Olestuk, CEO, JACOB SHAKHANOV	July 1, 2000 to June 30, 2001	\$668.00	(W33-8)

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06/24/2000	624-C	ARD First, Inc. Viktor Olestsuk, Sergei Novikov (Resident)	July 1, 2000 to June 30, 2001	\$677.00	(W33-9)
10/16/2001	624-C	ARD First, Inc., JACOB SHAKHANOV, YAROSLAV ROCHNIAK, and Gary Khanimov	Month to Month	\$712.00	(W33-10)
10/16/2001	706-C	Citiwide Management Group, Inc., YAROSLAV ROCHNIAK, and Gary Khanimov	Month to Month	\$677.00	(W33-11)
10/16/2001	522-B	Citiwide Management Group, Inc., YAROSLAV ROCHNIAK, and Gary Khanimov	Month to Month	\$703.00	(W33-12)
10/16/2001	306-B	Citiwide Management Group, Inc., YAROSLAV ROCHNIAK, and Gary Khanimov	Month to Month	\$677.00	(W33-13)
10/16/2001	315-C	Citiwide Management Group, Inc. YAROSLAV ROCHNIAK, and Gary Khanimov	Month to Month	\$703.00	(W33-14)
06/15/2002	510-B	Citiwide Management Group, Inc. and YAROSLAV ROCHNIAK	July 1, 2002 to June 30, 2003	\$578.00	(W33-15)
07/15/2002	406-B	Citiwide Management Group, Inc. and "JERRY" ROCHNIAK, Co-Owner	August 1, 2002 to July 31, 2003	\$672.00	(W33-16)
03/15/2004	403-B	ROMAN and Yelena KUCHER	April 1, 2004 to March 31, 2005	\$698.00	(W33-17)
07/14/2004	706	Citiwide Management Group, Inc.	Month to Month	\$692.00	(W33-18)
07/15/2004	315	Citiwide Management Group, Inc.	Month to Month	\$718.00	(W33-19)
07/15/2004	406	Citiwide Management Group, Inc. and "JERRY" ROCHNIAK	Month to Month	\$692.00	(W33-20)
03/24/2005	706-C	All J Help, Inc.	July 1, 2004 to June 30, 2005	\$692.00	(W33-21)
03/24/2005	406-B	All J Help, Inc. and JACOB SHAKHANOV	August 1, 2004 to July 31, 2005	\$692.00	(W33-22)
03/24/2005	118-B	All J Help, Inc. and JACOB SHAKHANOV	November 1, 2004 to October 31, 2005	\$672.00	(W33-23)
06/01/2005	510-C	Midwest Best, Inc. and ROMAN KUCHER	June 1, 2005 to May 31, 2006	\$687.00	(W33-24)

Testimony of Henrik Mkrtchyan

Henrik Mkrtchyan provided the following statements regarding his knowledge of apartments being leased by his employer (Citiwide Management Group):

- Mkrtchyan resided in company provided apartments at Rockside and Greentree Roads during his employment with the cleaning company. Mkrtchyan advised that money for rent was withheld from paychecks. (W22-1, pg 2)

Testimony of Daniel Krinickas

Daniel Krinickas provided the following statements regarding his knowledge of apartments being leased by Citiwide Management Group:

- Krinickas picked up other Citiwide workers in Bedford, OH and at apartments on Rockside Road, where he also resided, in a blue van that was provided by the company. The workers did not pay him for the van

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rides, but did have to pay Citiwide for the transportation. KRINICKAS drove approximately twelve workers per day, but the number of workers fluctuated. (W21-1, pg 1)

Search Warrant Evidence

- On September 8, 2005 search warrants were conducted at Owner's Management properties that were being leased by YAROSLAV ROCHNIAK / Citiwide Management Group, Inc. The following individuals were encountered at the apartments:

➤ 25300 Rockside Road, Building B, Apartment 111

Apartment was vacant at the time of the search. (W3-5)

➤ 25300 Rockside Road, Building B, Apartment 118

Henrik Mkrtchyan, Eleonora Kondratieva, Alfreda Wilkus, and Larisa Tamazlicaru, aliens, who were arrested for violating their immigration status at the time of the search, were encountered at the apartment. (W3-5)

➤ 25300 Rockside Road, Building B, Apartment 510

Hovhannes Yeghiazaryan, an alien who was arrested for violating his immigration status at the time of the search warrant, was encountered at the apartment. Additionally, Yeghiazaryan's spouse, Nelik Danelyan, who was present in the United States on a B2 visa at the time of the search, was also encountered at the apartment. (W3-5)

➤ 25200 Rockside Road, Building C, Apartment 128

Alena Fedorenko, an alien who was arrested for violating her immigration status at the time of the search warrant, was encountered at the apartment. (W3-5)

➤ 25200 Rockside Road, Building C, Apartment 228

Ekaterina Lyaskevich, an alien who was arrested for violating her immigration status at the time of the search, was encountered at the apartment. Additionally, Iryna Yuriyevna Kalevatava, who had a pending I-539 application at the time of the search, and Galina Alexandrovna, who was present in the United States on a J1 visa at the time of search, were also encountered at the apartment. (W3-5)

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➤ 25200 Rockside Road, Building C, Apartment 315

Lyubov Darmohray, Mayram Hakobyan, and Alisa Soghomonyan, aliens, who were arrested for violating their immigration status at the time of the search, were encountered at the apartment. Additionally, Marine Danielyan and Gohar Khachatryan, aliens, who were present in the United States on a B2 visas at the time of the search, were also encountered at the apartment. (W3-5)

➤ 25200 Rockside Road, Building C, Apartment 414

Kanstantsin Novik, an alien who was arrested for violating his immigration status at the time of the search, was encountered at the apartment. Additionally, Xeniya Makhinko, an alien who was present in the United States on a J1 visa, was encountered at the apartment. (W3-5)

➤ 25200 Rockside Road, Building C, Apartment 510

Egor Kolyadich, Vladimir Kurdyukov, and Sergey Petrov, aliens, who were arrested for violating their immigration status at the time of the search, were encountered at the apartment. Anastasia Levitskaya, an alien with a pending asylum application, and Ekaterina Lebedjeffa, a permanent resident alien, were encountered at the apartment. (W3-5)

➤ 25200 Rockside Road, Building C, Lobby

Vyacheslav Stoyanov, an alien who was arrested for violating his immigration status at the time of the search, was encountered in the lobby of building C. Stoyanov provided 25200 Rockside Road, Building C, Apartment 706 as his address at the time of the arrest. (W3-5)

- In the 8 apartments being leased with Owner's Management by Citiwide Management Group, Inc. at the time of the search, a total of 21 individuals were encountered at the apartments and 1 was encountered in the lobby of Building C. Of the 22 individuals encountered during the searches, 15, or approximately 68%, were arrested for violating their immigration status at the time of the search and out of the remaining 7 individuals encountered, 3 were present in the United States on B2 visas at the time of the search. (W3-5)

The King Group / Bedford Place Apartments

Bank Account Analysis

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- An analysis of checks drawn on Citiwide Management Group, Inc. Fifth Third Bank account number 838-17656 revealed that numerous checks were written from the accounts to Bedford Place Apartments. The below chart summarizes the payments made from the account to Bedford Place Apartments for the years 2001 through 2005:

PAYEE	YEAR 2001	YEAR 2002	YEAR 2003	YEAR 2004	YEAR 2005	TOTAL PAYMENTS	EXHIBIT NO.
The King Group / Bedford Place Apartments	\$2,640.00	\$31,491.00	\$32,039.00	\$19,493.00	\$0.00	\$85,663.00	(W2-1)

Testimony of Kathleen Kenley

Kathleen Kenley, Bedford Place property manager, provided the following statements regarding apartments being leased to Citiwide Management Group by the King Group:

- According to Kathleen Kenley, ARD First and its "subsidiary", Citiwide Management Group, had leased between one and four apartments at the Bedford Place Apartments from 2001 through 2004. Kenley originally dealt with Victor Olestsuk in regard to the apartments leased by ARD First / Citiwide Management Group. However, soon after signing the leases, Olestsuk told Kenley that he was going back to Pittsburgh and that ROMAN KUCHER would be the day to day contact for the ARD First / Citiwide Management Group apartments leased with Bedford Place Apartments. The managing company for the Bedford Place Apartments is The King Group. (W34-1)
- The rent on the ARD First / Citiwide Management Group leases was paid on a monthly basis from a Fifth Third Bank account in the name of Citiwide Management Group, Inc. The rent was normally hand delivered to Kenley by either ROMAN KUCHER or his wife. As Kenley understood it, ARD First and Citiwide Management Group were the same company. (W34-1)
- In October 2004, the King Group asked Citiwide Management Group to "leave" because they were "stacking tenants" in the apartments. The King Group had learned that Citiwide Management Group was housing up to 8 people in a 2 bedroom apartment, which constituted violations of local ordinances. (W34-1)
- ARD First, Inc. entered into the following apartment leases with The King Group:

LEASE DATE	APARTMENT NO.	TENANT(S)	LEASE TERM	RENT AMOUNT	EXHIBIT NO.
02/08/2001	600 Turney Road,	ARD First, Inc.	February 1, 2001 to January 31, 2002	\$661.00	(W34-2)

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	Suite 220		(Renewed by Yaroslav Rochniak on December 15, 2001 at the same rate and by Roman Kucher on December 15, 2003 at a new rate of \$680.00 per month)		
02/26/2001	620 Turney Road, Suite 225	ARD First, Inc.	March 1, 2001 to February 28, 2002 (Renewed by Roman Kucher on February 15, 2004 at a new rate of \$678.00 per month)	\$661.00	(W34-3)
06/01/2001	620 Turney Road, Suite 124	ARD First, Inc.	June 1, 2001 to May 31, 2002 (Renewed by Roman Kucher on April 19, 2004)	\$651.00	(W34-4)
11/01/2002	600 Turney Road, Suite 307	ARD First, Inc.	November 1, 2002 to October 31, 2003 (Renewed by Roman Kucher on September 16, 2003)	\$685.00	(W34-5)

(3) Compensation Payments to YAROSLAV ROCHNIAK, GREGORY KUCHER, and ROMAN KUCHER

The following is offered as evidence that disbursements from the Citiwide Management Group and related entity bank accounts to YAROSLAV ROCHNIAK, GREGORY KUCHER, ROMAN KUCHER, and Gary Khanimov were to compensate them for operating and managing the businesses and thereby promoting the business:

SUPPORTING EVIDENCE: (See Evidence Below)

Bank Account Analysis

- YAROSLAV ROCHNIAK, GREGORY KUCHER, and Khanimov all had signature authority on Citiwide Management Group operating bank accounts. (W11-1, W11-2, W12-1, W12-2)
- An analysis of checks drawn on Citiwide Management Group Fifth Third Bank account number 838-17656 and PNC Bank account number 10-1450-6648 revealed that numerous checks were written from the account to YAROSLAV ROCHNIAK, GREGORY KUCHER, ROMAN KUCHER, and Khanimov. (W2-1)
- The below chart summarizes the payments made from the Citiwide Management Group PNC Bank account number 10-1450-6648 and Fifth Third Bank account number 838-17656 to YAROSLAV ROCHNIAK, GREGORY KUCHER, ROMAN KUCHER, and Khanimov for the years 2001 through 2005:

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PAYEE	YEAR 2001	YEAR 2002	YEAR 2003	YEAR 2004	YEAR 2005	TOTAL PAYMENTS	EXHIBIT NO.
PNC Bank Account # 10-1450-6648							
YAROSLAV ROCHNIAK	\$0.00	\$41,693.84	\$42,976.83	\$27,515.08	\$34,179.08	\$146,373.03	(W2-1)
GREGORY KUCHER	\$0.00	\$6,214.41	\$24,752.71	\$20,850.72	\$24,187.28	\$76,005.12	(W2-1)
ROMAN KUCHER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(W2-1)
Gary Khanimov	\$2,000	\$16,167.98	\$0.00	\$0.00	\$0.00	\$18,167.98	(W2-1)
Fifth Third Bank Account # 838-17856							
YAROSLAV ROCHNIAK	\$0.00	\$31,545.58	\$38,738.40	\$30,257.92	\$4,895.68	\$105,437.58	(W2-1)
GREGORY KUCHER	\$0.00	\$6,685.88	\$22,581.24	\$22,893.56	\$3,721.12	\$55,881.80	(W2-1)
ROMAN KUCHER	\$0.00	\$0.00	\$29,123.35	\$39,669.97	\$22,000.00	\$90,793.32	(W2-1)
Gary Khanimov	\$0.00	\$4,798.48	\$0.00	\$0.00	\$0.00	\$4,798.48	(W2-1)
TOTAL PAYMENTS TO YAROSLAV ROCHNIAK, GREGORY KUCHER, ROMAN KUCHER, AND GARY KHANIMOV	\$2,000.00	\$107,106.17	\$158,172.53	\$141,187.25	\$112,816.33	\$521,282.28	

NOTE: The above amounts are the net amount paid to YAROSLAV ROCHNIAK, GREGORY KUCHER, and Gary Khanimov; therefore, the actual gross wage amounts earned by each is actually substantially larger than what the chart above indicates.

Admissions by YAROSLAV ROCHNIAK

- YAROSLAV ROCHNIAK admitted that he operated Citiwide Management Group, a company that was in the business of providing workers to contracted hotels. (W3-2, pgs 2 thru 5)

Admissions by GREGORY KUCHER

- GREGORY KUCHER admitted being employed by Citiwide Management Group as a manager from approximately the end of 2002 until 2005 when the company was closed. (W6-1, pg 4)
- GREGORY KUCHER advised that he earned between \$42,000 and \$45,000 for his employment with the company. (W6-1, pg 4)

Admissions by ROMAN KUCHER

- ROMAN KUCHER was employed by Citiwide Management Group about two years ago and was responsible for the company's day-to-day operations in the Cleveland area, including driving employees to worksites. (W5-1, pg 2)

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- ROMAN KUCHER was hired by YAROSLAV ROCHNIAK to manage Citiwide Management Group in the Cleveland area. ROCHNIAK was KUCHER's only boss during the entire term of his employment. (W5-1, pg 2)
- ROMAN KUCHER was an employee of Citiwide Management Group and received normal paychecks from the business while he was employed. (W5-1, pg 2)

Testimony of Gary Khanimov

- YAROSLAV ROCHNIAK offered Khanimov the opportunity to join him in managing a housekeeping business in Pittsburgh, which Khanimov accepted. (W9-1, pg 6)
- When YAROSLAV ROCHNIAK took over the Pittsburgh and Cleveland branch of the housekeeping business from "JACOB", he began to operate the business as Citiwide Management Group, Inc. (W9-1, pgs 9, 22, 23)
- Khanimov stated that his title with Citiwide Management Group was vice president on paper; however, he only assisted YAROSLAV ROCHNIAK with obtaining new accounts and managing the business when YAROSLAV ROCHNIAK was not in Pittsburgh. According to Khanimov, YAROSLAV ROCHNIAK was the individual in charge of the business. (W9-1, pgs 6, 32, 33)

(4) Management Fee Payments (Kickbacks) to ARRA Corporation

The following is offered as evidence that the purpose of the checks made payable to ARRA Corporation were to compensate ALEXANDER LITT, ROMAN LITT, and JACOB SHAKHANOV for their interests in Citiwide Management Group and its related entities and thereby promoting the business:

SUPPORTING EVIDENCE: (See Evidence Below)

Bank Account Analysis

- An analysis of checks drawn on Citiwide Management Group, Inc. Fifth Third Bank account number 83817656 and PNC Bank account number 10-1450-6648 revealed that numerous checks were written from the account to ARRA Corporation. The below chart summarizes the

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payments made from the above accounts to ARRA Corporation for the years 2003 through 2005:

PAYEE	YEAR 2001	YEAR 2002	YEAR 2003	YEAR 2004	YEAR 2005	TOTAL PAYMENTS	EXHIBIT NO.
FIFTH THIRD BANK ACCOUNT NUMBER 838-17656							
ARRA Corporation	\$7,426.09	\$181,467.92	\$154,777.61	\$112,742.07	\$29,899.03	\$486,312.72	(W2-1)
PNC BANK ACCOUNT NUMBER 10-1450-6648							
ARRA Corporation	\$3,848.36	\$161,275.32	\$104,913.68	\$137,025.28	\$15,237.46	\$422,300.10	(W2-1)
TOTAL PAYMENTS TO ARRA CORPORATION	\$11,274.45	\$342,743.24	\$259,691.29	\$249,767.35	\$45,136.49	\$908,612.82	

Testimony of Gary Khanimov

- Gary Khanimov stated that as part of the agreement reached between ROMAN LITT, JACOB SHAKHANOV, and YAROSLAV ROCHNIAK, ROCHNIAK agreed to pay ARRA Corporation (ROMAN LITT, ALEXANDER LITT, and JACOB SHAKHANOV) a set fee that was based on the hours worked by the employees of the business. When ROCHNIAK took over the Pittsburgh and Cleveland branch of the housekeeping business from JACOB, he began to operate the business as Citiwide Management Group, Inc. (W9-1, pgs 33, 34)

Admissions by ALEXANDER LITT

ALEXANDER LITT made the following admissions during an interview on 09/06/2007:

- ARRA Corporation was in the business of providing workers to businesses in the Cincinnati, Ohio area. (W2-5, pg 2)
- Around 1998, a hotel chain had requested that ARRA Corporation provide contract labor services to their hotels in the Cleveland area. After obtaining contracts to provide the contract labor to the hotels in the Cleveland and Pittsburgh area, ALEXANDER and ROMAN LITT accepted a bid by JACOB SHAKHANOV to service the contracts of ARRA Corporation in Cleveland and Pittsburgh as a subcontractor. JACOB

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SHAKHANOV operated his business as J and V Cleaning.
(W2-5, pgs 2, 3)

- JACOB SHAKHANOV paid the LITT'S a "commission" or "royalty" through ARRA Corporation in exchange for servicing the contracts held by ARRA Corporation. (W2-5, pgs 2, 3)
- When JACOB SHAKHANOV retired in 2000 or 2001, the LITT'S brought in Citiwide Management Group, which was operated by YAROSLAV ROCHNIAK and GREGORY KUCHER, to service the ARRA Corporation contracts held in Cleveland and Pittsburgh. (W2-5, pgs 2, 3)
- Citiwide Management Group paid ARRA Corporation a royalty based on the hours worked by Citiwide Management Group workers at Cleveland and Pittsburgh area hotels. (W2-5, pgs 3, 4)

Admissions by ROMAN LITT

ROMAN LITT made the following admissions during an interview on 09/06/2007:

- ROMAN LITT operated ARRA Corporation, a cleaning service company, with his nephew, ALEXANDER LITT and Arnold Lublinski. ARRA Corporation operated out of Loveland, Ohio, which is a suburb of Cincinnati. (W4-1, pg 2)
- ROMAN LITT knows that Citiwide Management Group was cleaning service company operated by YAROSLAV ROCHNIAK. Citiwide Management Group operated under contracts that ARRA Corporation established with hotels in Pittsburgh and Cleveland. (W4-1, pgs 3, 4)
- ARRA Corporation would generally receive a percentage of Citiwide Management Group's gross profits. ROMAN LITT estimated that ARRA Corporation received approximately 30% of Citiwide Management Group's gross profits. (W4-1, pgs 2, 3)
- Prior to Citiwide Management Group servicing the ARRA Corporation contracts in Pittsburgh and Cleveland, SweepSmart, which was operated by JACOB SHAKHANOV had serviced the contracts for the LITT'S. (W4-1, pgs 3, 4)

Admissions by JACOB SHAKHANOV

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- JACOB SHAKHANOV advised that around 1998 ALEXANDER and ROMAN LITT offered him a position to work as a manager of their cleaning business, which he accepted. (W3-3, pgs 4, 5)
- After being recruited by the LITT'S, JACOB SHAKHANOV started operations in their cleaning business in Cleveland and Pittsburgh as J and V Cleaning Service and Sweepsmart. J and V Cleaning Service and Sweepsmart were in the business of providing workers to hotels in the Cleveland and Pittsburgh area. (W3-3, pg 5)
- According to JACOB SHAKHANOV, when he needed additional workers for his business, he would contact ARRA Corporation, which was operated by the LITT'S. JACOB SHAKHANOV was required to pay ARRA Corporation for any of the workers that were provided by ARRA Corporation. ARRA Corporation was paid by the number of hours work the employees worked. (W3-3, pgs 11, 12)
- When JACOB SHAKHANOV wanted out of the business in October 2001, the LITT'S brought in "SLAVA", also known as "JERRY", to take over JACOB SHAKHANOV'S business. JACOB SHAKHANOV was to receive approximately 50 cents per worker per hour in exchange for allowing "SLAVA" to take over his business. It was agreed that "SLAVA" would pay the LITT'S and then the LITT'S were to pay him. (W3-3, pgs 13, 14)

Search Warrant Evidence

During a search of 1848 Chessland Street, Apt 14, Pittsburgh, Pennsylvania, the business address for Citiwide Management Group, the following evidence was obtained demonstrating that there was a direct correlation between the hours worked by Citiwide Management Group employees and the payments made from Citiwide Management Group to ARRA Corporation:

- Ledgers relative to the hours worked by Citiwide Management Group employees at Pittsburgh area hotels. Information included in the ledgers are: hotel name, hotel telephone / fax numbers, name of hotel contact person, hourly rate, employee name, total weekly hours worked at the hotel by each employee, total hours, total amount due to Citiwide Management Group from the hotel, and a total for amount labeled as being paid to "ARRA". (W3-50 thru W3-53)

NOTE: The ledgers are on 11 X 16 3/8" paper, but are exhibited on letter size paper for ease of photocopying and review.

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- A handwritten summary of income and expenses for Citiwide Management Group in Pittsburgh / Cleveland for 2004 and total hours and payments to ARRA for 2004. (W3-14)
- Monthly ledgers relative to the hours worked at Cleveland area hotels by Citiwide Management Group, Inc. employees. A computation for the amount owed to ARRA Corporation for the hours worked is computed for each hotel on weekly basis and totaled for the month. Checks written from Citiwide Management Group, Inc. bank accounts to ARRA Corporation during 2003 coincide to the total amounts shown on the monthly ledgers. (W3-15)

Note: Due to the 5 year Statute of Limitation on Title 18, USC, Section 1956 (a)(1)(A)(i), the prosecution of YAROSLAV ROCHNIAK for violating Title 18, USC, Section 1956(a)(1)(A)(i) is only being recommended for the above transactions that occurred during the years 2003 through 2005. Since the conspiracy is still ongoing, no Statute of Limitation issue exists for prosecution under Title 18, USC, 1956(h); therefore prosecution under the conspiracy charge will encompass the entire 2001 through 2005 time period.

3. Transaction in fact involves the proceeds of specified unlawful activity:

The following is offered as evidence that the property involved in the transactions that are being recommended for prosecution is in fact the proceeds of a specified unlawful activity:

- A. During the investigation years, Citiwide Management Group was in the business of providing contract laborers to businesses, mainly hotels, in the Pittsburgh and Cleveland areas. In addition to employing the contract laborers, YAROSLAV ROCHNIAK and others also transported and lodged the employees of Citiwide Management Group.

SUPPORTING EVIDENCE: (SAR, pgs 56 thru 58)

- B. YAROSLAV ROCHNIAK and others knowingly employed foreign nationals who were either not permitted to be present or not permitted to work in the United States at the time of their employment with Citiwide Management Group.

SUPPORTING EVIDENCE: (SAR, pgs 58 thru 59)

- C. By knowingly engaging in the harboring, employing, and transporting of individuals who are determined to be "out of status", or unlawfully present and / or employed in the United States, YAROSLAV ROCHNIAK and others committed a violation of Title 8, USC 1324, an Specified Unlawful Activity (SUA).

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SUPPORTING EVIDENCE: (See Note Below)

NOTE: Although some of the evidence found during this investigation relating to violations of Title 8 USC 1324 can be found under Elements 1 and 2 above, a complete summary of the evidence relating to violations of Title 8 USC 1324 will be detailed in a separate U.S. Immigration and Customs Enforcement report.

- D. YAROSLAV ROCHNIAK and others involved in the scheme to employ foreign nationals at Citiwide Management Group, who were "out of status" at the time of their employment, deposited the proceeds generated from employing these individuals into Citiwide Management Group controlled bank accounts.

SUPPORTING EVIDENCE: (SAR, pgs 58 thru 61)

- E. YAROSLAV ROCHNIAK and others then utilized the proceeds that were deposited into the Citiwide Management Group controlled bank accounts to pay expenses relating to the operation of Citiwide Management Group, including paying the employees that were determined to be "out of status", paying to lodge the employees that were determined to be "out of status", and paying commissions to YAROSLAV ROCHNIAK, GREGORY KUCHER, ROMAN KUCHER, ROMAN LITT, ALEXANDER LITT, JACOB SHAKHANOV, and Gary Khanimov.

SUPPORTING EVIDENCE: (SAR, pgs 61 thru 93)

4. Intent to promote the specified unlawful activity:

The following evidence is being provided to show YAROSLAV ROCHNIAK'S intent to promote the specified unlawful activity:

- A. YAROSLAV ROCHNIAK has gained significant financial benefit through the leasing of foreign workers, who were "out of status" in the United States, by Citiwide Management Group and its related entities. From 2001 through 2005, YAROSLAV ROCHNIAK received approximately \$251,810.61 in net compensation from Citiwide Management Group.

SUPPORTING EVIDENCE: (SAR, pgs 87 thru 89)

NOTE: The above amount is YAROSLAV ROCHNIAK'S net compensation after taxes were withheld from the wages that he drew from Citiwide Management Group.

- B. When questioned by hotel personnel about whether the workers being provided by Citiwide Management Group were legally permitted to work in the United

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States, YAROSLAV ROCHNIAK advised hotel personnel that the workers supplied to them by Citiwide Management Group were legally present and permitted to work in the United States; however, they regularly supplied workers that were not permitted to work in the United States to the hotels.

SUPPORTING EVIDENCE: (See Evidence Below)

- Many of the workers that Citiwide Management Group provided to its clients were determined to be "out of status", or unlawfully present and / or employed in the United States. (SAR, pgs 93 thru 94)

Testimony of Carol Walker

Carol Walker, general manager for the Amerisuites, provided the following statements regarding the workers provided to the hotel by Citiwide Management Group:

- Walker advised that she asked both "JERRY" and "GREGORY" on several occasions whether the employees being provided to the Amerisuites by Citiwide Management Group were legally authorized to work in the United States because the hotel contracts with the military for rooms and receives inspections by the military periodically as a result of those contracts. (W48-1, pg 1)
- According to Walker, both "JERRY" and "GREGORY" have told her that Citiwide Management Group would not employee anyone whose status was not proper and up to date. (W48-1, pg 1)

Testimony of Shirley Work

Shirley Work, housekeeping manager for the Holiday Inn – Pittsburgh Airport, provided the following statements regarding the workers provided to the hotel by Citiwide Management Group:

- Work stated that she initially questioned "JERRY" and "GREGORY" about the Citiwide Management Group worker's status and was told that the workers were in the United States on student Visa's. (W38-1, pg 2)

Testimony of Kris Kruze

Kris Kruze, manager for the Comfort Inn - Pittsburgh, provided the following statements regarding the workers provided to the hotel by Citiwide Management Group:

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- Kruze recalled a conversation with "JERRY" from Citiwide Management Group about whether or not the workers were "good to work" implying the question of their immigration status. "JERRY" told Kruze that "Yeah", (they are good to work). (W27-1, pg 2)

C. YAROSLAV ROCHNIAK entered into lease agreements with apartment management companies on behalf of Citiwide Management Group in order to provide housing to the alien workers of Citiwide Management Group, who otherwise would likely be unable to find housing by their own means.

SUPPORTING EVIDENCE: (SAR, pgs 70 thru 87)

D. YAROSLAV ROCHNIAK orchestrated the opening of Bazil Services in the name of aliens who worked for Citiwide Management Group. YAROSLAV ROCHNIAK then orchestrated the opening of bank accounts in the name of Bazil Services in order to pay the alien workers of Citiwide Management Group.

SUPPORTING EVIDENCE: (SAR, pgs 18 thru 27)

E. After becoming aware of an investigation into the activities of Citiwide Management Group, YAROSLAV ROCHNIAK and GREGORY KUCHER orchestrated the closing of Citiwide Management Group and Bazil Services and the establishment of Citiwide MNGM Group and Monro Service to assume the operations of Citiwide Management Group:

SUPPORTING EVIDENCE: (SAR, pgs 30 thru 31)

18 U.S.C. § 1956(h)

1. Agreement by two or more parties to commit an offense under 18 USC 1956 or 1957
2. Subject joins the agreement knowing its purpose
3. Intent to further the illegal purpose

1. Agreement by two or more parties to commit an offense under 18 USC 1956 or 1957

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YAROSLAV ROCHNIAK, GREGORY KUCHER, ALEXANDER LITT, ROMAN LITT,
JACOB SHAKHANOV, and ROMAN KUCHER

The following is being provided to establish that an agreement between ALEXANDER LITT, ROMAN LITT, JACOB SHAKHANOV, and YAROSLAV ROCHNIAK existed to employ foreign nationals, many of whom were considered to be "out of status", with Citiwide Management Group as contract laborers and to conduct financial transactions with the proceeds of the employment leasing business in violation of 18 USC 1956:

- A. During the investigation years, ALEXANDER LITT and ROMAN LITT owned and operated ARRA Corporation, an employment leasing company located in Cincinnati.

SUPPORTING EVIDENCE: (See Evidence Below)

Admissions by ALEXANDER LITT

ALEXANDER LITT made the following admissions during an interview on 09/06/2007:

- ARRA Corporation was an employment leasing business in the Cincinnati, Ohio area that ALEXANDER LITT operated with his uncle, ROMAN LITT. (W2-5, pg 2)

Admissions by ROMAN LITT

ROMAN LITT made the following admissions during an interview on 09/06/2007:

- ROMAN LITT operated ARRA Corporation, a cleaning service company, with his nephew, ALEXANDER LITT and Arnold Lublinski. ARRA Corporation operated out of Loveland, Ohio, which is a suburb of Cincinnati. (W4-1, pg 2)

- B. In approximately 1999, the LITT'S began to expand their employment leasing business activities into other cities, including Cleveland and Pittsburgh. ALEXANDER and ROMAN LITT recruited JACOB SHAKHANOV into the business to manage their business activities that they acquired in Cleveland and Pittsburgh. JACOB SHAKHANOV established several companies, Sweep Smart, Inc., ARD First, Inc., and J and V Cleaning Services, to act as subsidiaries of ARRA Corporation and to service contracts that the LITT'S obtained in Cleveland. In exchange for teach JACOB SHAKHANOV the specifics of the employment leasing business and allowing him to operate the Cleveland and Pittsburgh portion of the business, JACOB SHAKHANOV agreed

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to pay ARRA Corporation a set fee based on the income that the employment leasing companies earned for each contract worker supplied to their clients.

SUPPORTING EVIDENCE: (See Evidence Below)

Admissions by ALEXANDER LITT

ALEXANDER LITT made the following admissions during an interview on 09/06/2007:

- Around 1998, a hotel chain had requested that ARRA Corporation provide contract labor services to their hotels in the Cleveland area. After obtaining contracts to provide the contract labor to the hotels in the Cleveland and Pittsburgh area, ALEXANDER and ROMAN LITT accepted a bid by JACOB SHAKHANOV to service the contracts of ARRA Corporation in Cleveland and Pittsburgh as a subcontractor. JACOB SHAKHANOV operated his business as J and V Cleaning. (W2-5, pgs 2, 3)
- JACOB SHAKHANOV paid the LITT'S a "commission" or "royalty" through ARRA Corporation in exchange for servicing the contracts held by ARRA Corporation. (W2-5, pgs 2, 3)

Admissions by ROMAN LITT

ROMAN LITT made the following admissions during an interview on 09/06/2007:

- ROMAN LITT knows that SweepSmart, which was operated by JACOB SHAKHANOV, had serviced the employment contracts for the LITT'S. (W4-1, pgs 3, 4)

Admissions by JACOB SHAKHANOV

JACOB SHAKHANOV made the following admissions during an interview on 09/06/2007:

- JACOB SHAKHANOV advised that around 1998 ALEXANDER and ROMAN LITT offered him a position to work as a manager of their cleaning business, which he accepted. (W3-3, pgs 4, 5)